

EUROPE

U.S. and European Allies Split on Use of Land Mines on NATO Soil

By Joseph Fitchett
International Herald Tribune

BRUSSELS — The politically charged issue of land mines is again dividing Washington from its European allies, this time as a dispute about whether U.S. troops can keep their mines with them on the soil of North Atlantic Treaty Organization countries that recently signed a treaty banning such weapons.

"It is a problem — solvable I think — but it's going to take time, and there could be some unexpected jolts in the process," a U.S. official said Wednesday.

So far, quiet diplomacy has failed to clear up what seems to be a contradiction between NATO defense arrangements and the anti-mine treaty. Of the 16 NATO nations, only the United States and Turkey declined to sign. Washington said its responsibilities in defending South Korea along the demilitarized zone conflicted with the treaty.

Now those same military responsibilities have re-emerged for U.S. forces in Europe. "It's the law of unintended consequences in hasty arms control deals," said an official from Canada, a NATO member whose government spearheaded the treaty negotiations, including a final whirlwind of bargaining that led more than 100 countries to sign up.

Canada has said that it would override its obligations in the treaty to cooperate with the United States or any other NATO ally in the event of war, but U.S. officials argued that a combat situation is too late to deal with a ban that already affects exercises, joint training — even computer war games among allies.

Ironically, one of the governments most opposed to mines is Norway, a country that depends on U.S. mines and troops in its plans to defend the thinly populated north that borders on Russia.

Officials in Oslo, where the treaty banning mines was signed in September, say that they feel strong domestic pressure to apply its prohibitions against owning or stockpiling anti-personnel mines. As a result, there have been calls in Congress for the withdrawal of U.S. troops and prepositioned weaponry from any ally that refuses to accept the mines.

From the U.S. standpoint, the problem stems from differing definitions and technological standards about the anti-personnel mines. The international out-

cry about land mines concerns small, light, hard to spot devices that often have evil half-lives. Left behind by guerrillas or Third World armies, these mines go off when walked on by an unsuspecting farmer or a child, even years later.

Not considered in the treaty were anti-tank mines: heavy devices that require tons of pressure to detonate. But the most advanced U.S. anti-tank mines were considered, exceptionally, to be banned by the treaty because the big central device, when deployed, is surrounded by small devices to keep enemy soldiers from approaching.

The main such weapon, known as a Gator and delivered by air from F-16 fighter-bombers, consists of a canister containing 72 anti-tank mines with 22 anti-personnel mines designed to keep enemy infantry off the anti-tank mines. On the ground, they are grouped, usually in a pattern about 100 yards long, with trip wires connecting all 94 elements.

As a result, the U.S. mines are considered anti-personnel mines. European armies also have a system of protecting their anti-tank mines: they attach booby traps to the mines. Because the American explosives are not attached to the main mine, they are considered anti-personnel.

The obvious question — why not change U.S. mines? — gets a ready response from American officials.

"There's a reason that they're different: because we are better at it," said Robert Bell, the leading arms specialist on the National Security Council, in discussing the U.S. position at Oslo.

A good sapper, he said, needs only two minutes with a long pole to dislodge booby traps so that enemy infantrymen can carry away a European anti-tank mine. It usually takes at least 20 minutes to clear a path to a U.S. anti-tank mine protected by a wider defensive system.

"That 18 minutes is the difference between life and death," Mr. Bell said.

"Imagine the Gulf War," Mr. Bell said. "Imagine General McCaffrey's 24th Mechanized Division with a left hook into Iraq. He's out there with no protection on his flanks, maneuvering. And you see an enemy force coming in on his flank. You pick up the phone, call in an air strike. The aircraft comes over and drops this canister in front of the Republican Guard unit that's threatening his flank and puts down this field of

anti-tank mines with their protective munitions as part of it."

That concept would apply anywhere else where U.S. forces operate against the threat of enemy armor: renewed hostilities with Iraq, peacekeeping in Bosnia, any other contingency such as a Russian attack into Norway, where U.S. airborne forces would expect to use equipment, including land mines, stored in Norway.

U.S. land mines are also stored in other allied countries, including Britain, Germany and Italy. All of them have potential problems with the mines because they have signed the treaty. Turkey, with its long frontier with Russia, was the only NATO country that joined the United States in insisting that it would only sign a treaty that recognized the special features of U.S. anti-tank mines — and the associated anti-personnel mines.

In contrast to the mines that have done so much harm to civilians in countries like Bosnia and Cambodia, U.S. land mines are self-destructing and self-activating. Laid in zones where civilians would be careful, the mines are set to blow up at a pre-set time — usually after 48 hours. In tests involving 32,000 mines, only one failed to blow up on time, detonating an hour late. As a last resort, their batteries die after 90 days, leaving the mines harmless.

Despite these safeguards, other governments refused to allow an exception for U.S. mines when putting the finishing touches on the treaty in Oslo. They wanted a smooth product so they were reluctant to crack open a door for exceptions," according to an American official involved in final negotiations.

So far, a similar stand-off prevails in NATO. Officials at alliance headquarters outlined procedural tactics on Wednesday that they said might bury the issue long enough to defuse the quarrel.

"We think that there's no real incompatibility here," said a diplomat from Canada.

Germany has put forward a compromise under which the problem would be referred to a NATO ministerial council — which would immediately send it back to committees for further study.

"In any case, Bonn can say that U.S. mines do not belong to Germany, so it's no problem for us," a German diplomat said.



Jody Williams, center right, posing with South Korean soldiers while visiting the Demilitarized Zone. The Nobel Peace Prize winner is on a four-day trip to Korea in connection with her campaign opposing land mines.

Balloonists Give Up China's Refusal to Clear Overflight Dooms Round-the-World Attempt

Compiled by the Staff from Dispatches

GENEVA — Three European balloonists, having overcome a leaky capsule, slow winds and military risks in Iraq, abandoned their around-the-world dreams Wednesday because of China's refusal to let them pass.

"The trip around the world is definitely over," a spokesman for the ground team in Geneva said.

With all hope lost of picking up the rapid jet-stream winds needed to speed them over the Pacific, the Breitling Orbiter 2 was drifting over India toward a landing spot in either Burma or Thailand.

The flight director, Alan Noble, said at the mission control center here that the crew would continue across India and the Bay of Bengal to see how far they could get — and try to beat an aeronautical endurance record. They would have to stay in the air until just after noon GMT on Thursday to become the new record-holders.

"Even if China said yes now, it would be too late," said a clearly disappointed Mr. Noble. "The aim to fly around the world this time has to be given up."

It was the 14th attempt to circle the world by balloon nonstop in the past two years.

The crew sought consolation in stunning views of the Taj Mahal and the knowledge they had spent longer in the air than the previous record-holder, the American adventurer Steve Fossett. Children and adults on the ground below waved and cheered them as they flew low over the northern Indian plain.

"It's very, very sad," Mr. Noble said. "We have champagne which is staying unopened. 'We've learned a lot about how cruel the weather can be and how difficult the political situation can be.'"

He said it was too early to say whether the Swiss pilot Bertrand Piccard, the Belgian Wim Verstappen and the British flight engineer Andy Elson would try again next year. If they did, the team would first secure overflight permission from China, he said.

Beijing objected that the slow-moving silver balloon would have been a safety risk to other aircraft during a busy holiday period. It remained unmoved by appeals from European diplomats including President Flavio Cotti of Switzerland.

Crossing China on the jet stream that flows over the country would have been vital to the crew's chances of getting around the world before its fuel ran out.

Although the mood among the three-man flight team was downcast, some of the organizers admitted that the balloon might not have achieved the record in any event, because it had used up more kerosene than expected.

The balloon, which set out from a Swiss Alpine village Jan. 28, lost one-third of its fuel on the first night, for reasons apparently unknown. (AP, Reuters, AFP)

Romanians Wary of Opening Files

By Jane Perlez
New York Times Service

BUCHAREST — When a centrist government was elected here more than a year ago, there was considerable enthusiasm for opening up the secret police files kept by the Communist government that was overthrown in 1989.

But as is the case elsewhere in the former Communist bloc, revealing the dirty secrets of the past has proved complicated.

Draft legislation designed to give access to the files is a long way from being passed as the public and politicians debate who should have access to what.

And as memories of the Communist era recede, some Romanians are beginning to suggest that it would be better to keep the files closed and to look to the future instead.

The Securitate, as the secret police were known here, had numerous members and were well equipped. They are believed to have left behind plenty of evidence of citizens' spying on their fellow citizens during the more than two-decade rule of Nicolae Ceausescu.

The author of the draft legislation is Constantin Ticu Dumitrescu, a member of the Senate who was jailed for 11

years by the Communists for his role as a member of the opposition National Peasants' Party. He wants people to have wide-ranging access to the files. Mr. Dumitrescu has said that to know who is in today's society, people should be able to examine any file they want.

But others in the Peasants' Party, which forms the core of the government of Prime Minister Viktor Ciiorbea, believe that to prevent public criticisms, individuals should be allowed to look only at their own files. That is the basic premise of the system established for access to the secret police files in East Germany soon after the fall of the Berlin Wall.

For the first seven years after the end of the Ceausescu government, former Communists were in power in Romania, and many leading figures of that government had been members of the Securitate.

They blocked the opening of the files and in some cases appear to have helped tamper with the files or destroy them. A substantial cache of secret police files was found dumped in the countryside in the early 1990s.

Manuela Stefanescu, a lawyer who is co-chairman of the Helsinki Committee in Romania, a human rights group, said many of the files had been tampered with since 1989 to protect or

destroy reputations. Thus, it would be reckless, she said, to allow the wholesale opening of the files that Mr. Dumitrescu proposes. Such a move could lead to false accusations against innocent people, she said.

It is important, Miss Stefanescu said, that access be given so that individuals can examine their own dossiers — but not those of others.

The files of candidates running for office also should be made public so voters can assess their past, she said.

Even before legislation is passed, some dissidents have persisted in trying to get access to their files. So far, they have been given only glimpses.

Gabriel Andreescu, a member of the Helsinki Committee who was imprisoned under the Ceausescu government, saw his files in 1996 after years of seeking them from the military prosecutor's office.

But when they were presented to him, they appeared to have been thinned out.

In another case, a mayoral candidate in 1996 for one of Romania's provincial capitals announced that he had served as an informant for the Securitate under communism.

Voters said they regarded him as a competent manager and respected him for his honesty, and he won the election.

German Literati Fire Tardy Shot Over Holocaust Memorial

By Alan Cowell
New York Times Service

BONN — In a remarkable, last-minute challenge to what had been depicted as a national consensus, a group of 19 prominent German intellectuals, historians and authors including Gunter Grass urged the authorities Wednesday to abandon plans for a gigantic Holocaust memorial in the heart of Berlin.

In an open letter to Chancellor Helmut Kohl and others supporting the project, the group said an "abstract installation of oppressively gigantic proportions on an area the size of a sports stadium" would not create the "place of quiet mourning and remembrance, of warning or enlightenment" that promoters envisage.

Among other signers were the historian Jürgen Kocka, the film director George Tabori and György Konrad, the president of the Berlin Academy of Arts.

The letter was made public only weeks before the scheduled final selection of one of four designs for the monument, two of them drawn up by Americans. The memorial is to be situated at the heart of reunited and rebuilt Berlin, between the old Brandenburg Gate and the new steel-and-glass high-rises of the Potsdamer Platz, next door to the projected site of the new U.S. Embassy.

First mooted a decade ago, the idea has proved hugely contentious, with arguments raging unresolved over its location, its artistic feasibility, its aim and its scope. But, in recent years, a consensus had built among political parties that, whatever the arguments about its precise nature, the monument should go ahead, with the foundation stone laid in early 1999.

The letter represented a significant broad-based dissent that view, even though one signer cast doubt on whether the last-minute objections would derail the project.

"It will happen," said Peter Schneider, a well-known author. "There is no doubt about it. But we are not very happy about it."

Adding to the turmoil swirling around the project, the letter was made public only a few days after city authorities acknowledged finding a bunker used by Hitler's propaganda chief, Joseph Goebbels, abutting the 19,350-square-meter site for the memorial. The discovery rekindled debate about whether the location, almost atop Nazi ruins, was appropriate.

The letter took issue with the fact that the memorial excluded other groups persecuted by the Nazis, such as Gypsies, homosexuals, Soviet prisoners of war and the disabled. It also said that the memorial seemed an artificial gesture compared with the array of existing historical monuments in Berlin, such as the nearby "Topography of Terror" museum on the site of the former Gestapo headquarters.

The letter appealed to Mr. Kohl, the city

authorities and a private group promoting the memorial not to make a decision for its own sake. "In this matter there should be no compulsion and no automatic decision brushing aside all the doubts and concerns," it said. "Abandoning the project on the grounds of common sense would honor all those involved."

Mr. Kohl offered no immediate response to the letter, but a spokesman for Berlin authorities said he assumed that a design for the monument would still be decided in mid-March.

The German chancellor vetoed the winning design in a contest three years ago. This time, he is thought to favor a proposal by two Americans, Richard Serra and Peter Eisenman, to cover the memorial site with 4,000 low concrete blocks spaced about two meters (six feet) apart in a huge labyrinth of varying height.

The other three finalists are Daniel Libeskind, also a U.S. citizen, Jochen Gerz of Berlin and Gesine Weinmiller, another German who is the youngest of the entrants at age 34.

Mr. Libeskind's design proposes a series of five walls with irregular cavities denoting extermination. Mr. Gerz has put forward an open space with 39 steel masts each bearing an illuminated translation of the word "why" in the native tongues of Jews killed in the Holocaust. Ms. Weinmiller's design is composed of 18 stone walls laid out seemingly arbitrarily to denote the destruction of European Jews.

But each design has raised a central question of whether artistic methods are adequate to the task of representing history's greatest genocide. Mayor Eberhard Diepgen said Wednesday that the proposals were not fully convincing.

LOTTERY: American Executive Is Big Loser in Britain's Game of Chance

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The incident also has added further luster to the reputation of Mr. Branson, dubbed "Robin Hood Richard" by the British press. And it has created a fresh embarrassment for the government of Prime Minister Tony Blair, which had opposed the previous Conservative government's decision to award the lottery contract to Camelot, a profit-making consortium including GTEch, but now finds itself defending Camelot in order to safeguard the lottery's integrity and popularity.

Chris Smith, the minister for culture, called on lottery regulators Wednesday to review the implications of the court verdict for the running of the lottery, and to ensure that all ties between Mr. Snowden and the lottery were severed.

Late Tuesday, Mr. Smith accepted the resignation of Peter Davis, the chief regulator. Mr. Davis had awarded the contract to Camelot and was criticized by a House of Com-

mons committee in 1996 for accepting free flights in the United States from GTEch.

Mr. Smith remains under pressure to take further action. Mr. Branson claimed the court verdict applied to GTEch's methods as much as Mr. Snowden personally, and he urged the government to remove the company from Camelot, in which it holds a 22.5 percent stake. And many politicians want the government to start preparing for more radical changes after 2001, when Camelot's license expires.

"I would like to see the lottery operated on a nonprofit basis," said Alan Keen, a Labor member of the House of Commons culture committee.

Camelot earned £46.8 million in the year ended March 31, 1997.

GTEch officials sought to contain the damage from the court ruling. Referring to Mr. Snowden's quick resignation, Robert Rendine, a company spokesman, said, "We moved with rather commendable speed, and we look forward to working with the new regulator."

But the ruling promised to attract fresh scrutiny to practices that have won the company contracts to operate lotteries in 28 of 37 U.S. states and in 30 foreign countries. In October, GTEch's former U.S. sales manager, J. David Smith, was convicted of paying kickbacks to political consultants in New Jersey in an effort to win the contract for the state's lottery.

For all the controversy, the huge publicity surrounding the court ruling has appeared to only help the lottery. Camelot officials said ticket sales for Wednesday night's drawing were running 3 percent ahead of normal.

That should cheer the nation's charities, civic organizations, gallery directors and theater operators. Filling the gap left by corporate giving, lottery proceeds are doing everything from rebuilding London's Royal Opera House to financing the reconstruction of derelict urban areas for the millennium.

BRIEFLY

Political Crisis in Slovakia

BRATISLAVA, Slovakia — The Slovak president, Michal Kovac, used his last speech to Parliament to accuse Prime Minister Vladimir Meciar's government on Wednesday of being undemocratic.

The European Union, NATO and the United States have all rebuked the formerly Communist Slovakia for failing to respect democracy and the rule of law, and the president said their criticism was fair.

The president, whose term ends March 2, was particularly scathing about the government's refusal to abide by rulings from the constitutional court with which it disagrees.

The parliamentary opposition — along with Mr. Kovac, who is a political enemy of Mr. Meciar — attempted in a referendum last year to change the method of electing a president to a direct vote of the people.

However, in a move that prompted sharp criticism from the EU and condemnation from the constitutional court, the government unilaterally withdrew the question on the presidency from the ballot. (Reuters)

London Lectures Last Colonies

LONDON — Britain told its remaining colonies Wednesday to take urgent steps to stamp out money laundering and ensure their financial service regulators were truly independent.

Foreign Secretary Robin Cook also said Britain was looking sympathetically at the possibility of granting full citizenship to 160,000 citizens of its scattered so-called dependent territories, all that remain of a once-mighty empire.

In an indication of possible trouble ahead, the territories voiced apprehension after Mr. Cook insisted they bring their laws into line with Britain's international human rights obligations and urged those that still imposed the death penalty to consider abolishing it. (Reuters)

Bosnia Muslims Spurn Request

SARAJEVO, Bosnia-Herzegovina — Muslim leaders in Bosnia have spurned a demand by Western aid donors that they unconditionally promote the return to Sarajevo of thousands of Croats and Serbs who fled during the three and a half year Bosnian war.

Alija Izetbegovic, a wartime Bosnian leader who is now chairman of the country's three-man presidency, said he would not accept the demand unless the United States and its allies insisted that Bosnia's Serb Republic make a similar commitment to accept Muslim and Croatian refugees within the same period.

Western officials called this condition unreasonable, arguing that the Serb Republic's new government is not yet strong enough to make such a pledge. (WP)

French Rightists Protest Ruling

PARIS — The extreme-right National Front denounced a French official's decision Wednesday to block a controversial cash bonus restricted to children born to French or European Union parents in the southern town of Vitrolles.

The decision by the prefect in the southern Bouches du Rhone department "is in reality the Socialist-Communist government showing its true face — one of scorn for the French people," the National Front deputy leader, Bruno Mégret, said in a statement. The Front announced last month that Vitrolles would pay a bonus of 5,000 francs (\$825) for every child born in the town to citizens of France or another European Union state. (Reuters)

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INTERNATIONAL

U.S. Urged To Lay Off Iraq During Olympics

By Jere Longman
New York Times Service

NAGANO, Japan — Amid speculation that the United States might attack Iraq soon, International Olympic officials have repeated appeals for nations to avoid military confrontation during the Nagano Games, which begin on Saturday.

While stressing that they were not trying to influence U.S. foreign policy, the officials said they hoped that the United States and other countries that have signed a United Nations resolution pledging peace during the Winter and Summer Olympics would adhere to their pledges. The resolution, signed by 178 countries, is generally known as the Olympic truce.

"The IOC has no comment to make regarding the way the United States of America makes its decisions," Francois Carrard, the International Olympic Committee director-general, said. "We simply hope that, like all signatories to the Olympic truce, they will follow it."

Anita DeFrantz of the United States, the first woman elected as a vice president of the IOC, said she had been working back channels to remind the White House that it has resolved to comply with the Olympic truce.

"I just wanted to make sure they know about it; they do," Ms. DeFrantz said. "I'm confident that it will play some part, maybe a small part, in the decision-making process."

But Ms. DeFrantz, a former Olympic rower, also acknowledged that military conflicts have occurred during past Olympic Games. The Bosnian conflict, for example, continued during the 1994 Winter Olympics in Lillehammer, Norway.

Conflict has followed the Olympic movement. The 1968 Mexico City Games were preceded by student uprisings that led to deaths. The 1972 Munich Olympics were disrupted by Arab terrorists. The United States boycotted the 1980 Moscow Olympics to protest the Soviet invasion of Afghanistan, and Soviet-bloc countries retaliated with a boycott of the 1984 Los Angeles Games.

The State Department said this week that it respected Olympic appeals for peace. But it refused to guarantee that the United States would not launch an attack during the 16-day run of the Nagano Games.



Foreign Minister Mohammed Said Sahhaf of Iraq, center, welcoming his Turkish counterpart, Ismail Cem, right, to Baghdad on Wednesday. Mr. Cem was to discuss Iraq's dispute with the UN over weapons inspectors.

BAGHDAD: Hard Time for Books, but Some Arts Still Carry On

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In the absence of foreign films, a casualty of the embargo that was imposed on Iraq until it is free of weapons of mass destruction, there has been a burst of energy in the Iraqi cinema, though films are limited thematically and produced on low budgets.

Romance and high-intensity explorations of personal relationships mark both films and contemporary short stories, intellectuals say.

Figurative painting and natural subjects, sometimes fuzzily romantic but rarely propagandistic, dominate contemporary art in the galleries and museums.

History, viewed from a safe distance, is also preoccupying filmmakers. A versatile genre is developing around the life

and death of King Ghazi, the second in a line of monarchs who ruled Iraq from 1920 to 1958.

The king, who died in a car crash in 1939 after only six years on the throne, is being portrayed as a "people's king," Iraqis say. Currently accepted thinking is that he was the victim of an assassination, not an accident, and that the British were to blame.

Britain ruled Iraq under a mandate for a few years after World War I, when the Ottoman Empire was dismantled and Iraq became independent again after four centuries. The nationalist uprising that soon erupted against British rule is another cinematic theme in the 1990s.

Anti-British themes are safe because they are not out of line with government thinking, now that Britain and the United

States are seen as common enemies of Iraq. But the fascination with King Ghazi may represent more than this. Mr. Saddam likes to think of himself in regal terms, and what better model for a modern monarch than a peoples' king? It is not a subject Iraqi intellectuals are free to discuss. An American visiting Iraq expecting to hear a great deal about the 1991 Gulf War is frequently startled by the relative lack of passion about that conflict and the intensity with which Iraqis recall the war before that one, the 1980-1988 war with Iran.

Stories, poetry and films relive the war, allowing fiction to follow reality. "There is not a family in this country that was not touched by that war, that terrible war," a writer said. "It affected all of us psychologically."

Israel Would Strike Back, Paper Says

The Associated Press

TEL AVIV — Prime Minister Benjamin Netanyahu refused to assure the United States that Israel would not retaliate to a possible Iraqi attack, a newspaper reported Wednesday.

Secretary of State Madeleine Albright's request for restraint came in a weekend meeting with the Israeli leader, the Ha'aretz daily said.

Mr. Netanyahu's senior adviser, David Bar-Ilan, said Mrs. Albright requested that Israel "keep a low pro-

file verbally," but that he didn't believe a request was made not to retaliate in case of an attack.

In the 1991 Gulf War, Israel heeded a U.S. request not to respond to Scud missiles Iraq fired at the Jewish state. However, in the current crisis Israeli leaders have suggested there would be a response to an Iraqi attack.

Mr. Netanyahu said Tuesday that the Iraqi threat had been exaggerated, but said: "We will do whatever necessary to protect our citizens."

IRAQ: Momentum for a Military Strike

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there was no alternative to forcing Baghdad's hand, Congress responded strongly to a warning by Defense Secretary William Cohen that the United States was prepared to wage a "significant" military campaign against Iraq.

"It would be far more than what has been experienced in the past, certainly since the Persian Gulf war," Mr. Cohen said Tuesday in testimony before the Senate Armed Services Committee. Key committee members called for decisive action if Baghdad remained defiant.

Setting the stage for the nonbinding Senate resolution authorizing U.S. use of force, the majority leader, Trent Lott, said: "If we're going to do this, let's go all the way."

The Mississippi Republican's counterpart in the House, Richard Armitage, a Republican from Texas, said Tuesday that Mr. Saddam was "a dangerous person that should not be allowed to have these kinds of weapons, and we will support any effort we can to provide the world with a greater security from that threat."

Going further publicly than administration officials had, the House speaker, Newt Gingrich, Republican of Georgia, said that any U.S. military attack must succeed in getting Mr. Saddam to accept unlimited inspections or else "we will have to replace him with a regime that will agree to end this kind of program" to build weapons of mass destruction.

In complaining about U.S. rhetoric earlier in the day, Mr. Yeltsin may have been seeking to mollify the Russian parliament, which has been critical of U.S. determination to root out Iraqi weapons programs. In his reported remarks, Mr. Yeltsin accused Mr. Clinton of "acting too brazenly" in Iraq.

"One must be more careful in this world, saturated with all sorts of weapons which are sometimes in terrorists' hands," the Russian leader reportedly said. Instead, he added, some people are saying, "let's flood the place with planes and bombs" — frankly speaking, that's not like Clinton at all.

But even after Mr. Yeltsin's remarks

were declared inoperative, Moscow, together with Paris, insisted Wednesday that a diplomatic outcome was certainly preferable and still possible.

A French official said that if Baghdad had been coaxed into making initial concessions, that might be an opening wedge toward a political deal that provided full access to UN inspectors.

Hubert Vedrine, the foreign minister, voiced serious doubts over the usefulness of a military strike against Iraq, warning that Mr. Saddam might be able to "exploit such an attack to rally public opinion to his side."

He told the French Senate there would be a shock wave in the Arab world if Washington used military force "at the very moment when the international community, especially the United States, has been shown to be powerless to break the deadlock in the peace process between the Israelis and the Palestinians."

His remarks were played down by U.S. diplomats, who said that Mr. Vedrine was placating pro-Iraqi and anti-American lobbies in France. In private, they said, the French government had indicated much greater readiness to back a military strike if Baghdad continued stonewalling on UN inspections.

Secretary of State Madeleine Albright arrived back in Washington on Wednesday after a weeklong trip to capitals in Europe and the Middle East on which she appeared to convince most U.S. allies that military force would probably have to be used against Baghdad. Despite low-key public statements by Arab officials, Ms. Albright was said by diplomats to have gained private promises from Saudi Arabia and other key Arab countries to support U.S. actions.

Arab leaders were publicly cautious Wednesday about the value of the reported Iraqi concessions, and Turkey, which last week said that its military bases could not be used for U.S. air strikes, sounded more supportive of Washington. Prime Minister Mesut Yilmaz said Wednesday in Ankara: "If Iraq does not heed our warning, a U.S. operation to enforce UN resolutions will have some sort of justification."

Roger Stevens, 87, Arts Champion, Dies

By Bart Barnes
Washington Post Service

WASHINGTON — Roger L. Stevens, founding chairman of the Kennedy Center for the Performing Arts who orchestrated its transformation from dream to reality, died Monday night here of complications related to pneumonia. He was 87.

He suffered two partly paralyzing strokes in 1993.

Mr. Stevens served 27 years as chairman of the Kennedy Center's board of trustees and in that capacity is said to have raised \$150 million from a reluctant and skeptical Congress, corporate benefactors and individual donors for the center's construction, operation and endowment. He was appointed in 1961 by President John F. Kennedy as board chairman of what was then the National Cultural Center. But no national facility for the performing arts existed in Washington. For the next 10 years, Mr. Stevens guided and coaxed the project to fruition. In 1971, the Kennedy Center, named for the slain president at Mr. Stevens's suggestion, opened with the world premiere of Leonard Bernstein's "Mass."

Since then, thousands of the world's leading musicians, actors and dancers and its finest artistic ensembles have performed on the Kennedy Center stages, bringing to Washington a cultural explosion that helped dispel its image as a city of dead monuments and a dull bureaucracy. "The producer David Merrick called the center 'the most successful cultural facility in the world.'"

Although best known for his work at the Kennedy Center, Mr. Stevens also played a pivotal role in persuading Congress to pass legislation establishing the National Endowment for the Arts, which represented the federal government's first attempt to become a national arts patron. He then served as the endowment's first chairman. During the administration of Lyndon B. Johnson, he also was special assistant to the president for the arts.

Before starting his career at the Kennedy Center, Mr. Stevens had made a fortune in the business world. He was a real estate broker and a resourceful investor, specializing in hotels and office buildings. In that capacity, he was widely

known as a smooth and able negotiator, with a riverboat gambler's love for risky, high-stakes deals and an extraordinary skill for working out the most complex agreements. In 1951, he put together a syndicate that purchased the Empire State Building in New York for what was then a record \$51.5 million.

He also had produced more than 250 plays and musicals, including "West Side Story," "Annie," "Cat on a Hot Tin Roof," "Tea and Sympathy," "A Man for All Seasons" and "Bus Stop."

Politically, Mr. Stevens had been a finance chairman of the Democratic National Committee, and he also had raised money for the presidential campaigns of Adlai Stevenson.

Dorothy Hart Hirshon, 89, Society Figure and Activist

NEW YORK — Dorothy Hart Hirshon, a glamorous figure in New York society from the 1920s through the '40s who later became active in social, human rights and political causes, died Jan. 29 in an automobile accident while driving near her home on Long Island. She was 89.

Frequently photographed and written about during her glittering earlier marriages to John Randolph Hearst and William S. Paley, she married Walter Hirshon, a stockbroker, in 1953. After their divorce in 1961, she became increasingly involved in education and philanthropic endeavors.

Dorothy Hart was 19 when she met her first husband, the third of William Randolph Hearst's five sons, while sailing on a yacht off Santa Barbara, California. The groom dropped out of college after his freshman year and joined Hearst Corp., and the young couple became regulars in the café society of the period.

Mrs. Hearst met Mr. Paley, head of the Columbia Broadcasting System, in 1931. After some months, she filed for a divorce, and in May 1932, she married Mr. Paley.

David Patrick Columbia wrote in Quest magazine in 1993: "They were the golden couple on the town. She became his Pygmalion. His hunger to know satisfied her trenchant desire to teach. He had the instincts, but she, despite her youth, had the instincts and the knowledge. She began transforming his life.

She got him to Savile Row tailors. She encouraged him to buy art and introduced him to dealers. In a short time they began to accumulate what is now known as the William Paley Collection."

She was sketched by Matisse, photographed by Cecil Beaton and Horst, listed as one of the world's best-dressed women and featured in Vogue and Harper's Bazaar.

The Paleys separated in 1945, shortly after Mr. Paley returned from wartime service in London. They were divorced in 1947, and she received some paintings, furniture, silver and \$1.5 million.

Joseph Alioto, 81, Ex-Mayor Of San Francisco and Lawyer

NEW YORK (NYT) — Joseph Alioto, 81, the two-term mayor of San Francisco during the city's most dynamic growth in the late 1960s and early 1970s and a lawyer who earned millions of dollars with the nation's largest civil antitrust practice, died Jan. 29 of prostate cancer at his home in San Francisco.

In 1968, Mr. Alioto was chosen to nominate Hubert Humphrey at the Democratic Party convention in Chicago. He was planning a 1970 race against the incumbent Ronald Reagan for governor of California when, in 1969, he was described by Look magazine as "enmeshed in a web of alliances with at least six leaders of La Cosa Nostra." He dropped his plans to run for governor and sued Look for libel. After four trials, he was awarded \$350,000.

Victor Pasmore, 87, painter, printmaker, educator and for more than 50 years a volatile but invaluable figure in the British art world, died Jan. 22 at his home on Malta. A pioneer of informal abstraction in 1934, he shifted his ground in 1936 and began to paint from nature and from the living model. In 1937, he co-founded in London the Euston Road School.

Marshall Wiley, 72, a retired career diplomat and expert on the Arab world who was ambassador to Oman from 1978 to 1981, died Saturday of acute leukemia in Washington.

Anwar Abdul Malik, 100, a founder of the governing United Malay National Organization party, died Saturday in Johor Bahru, Malaysia.

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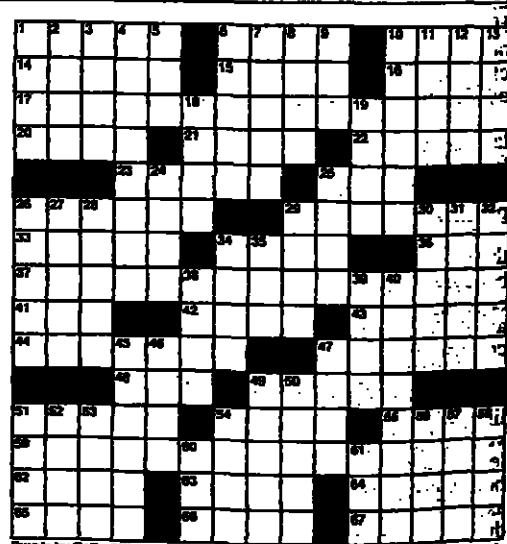
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INTERNATIONAL

Verdict of Europeans: Execution Is Barbaric

Continued from Page 1

NEW YORK — The execution of Karla Faye Tucker in Texas created a wrenching debate in the United States, but in many European countries the verdict was nearly unanimous: The American death penalty is barbaric.

The sentiment was particularly strong in predominantly Roman Catholic countries, echoing the concerns of Pope John Paul II, who urged Governor George Bush to offer clemency to Ms. Tucker.

But in Asia, Ms. Tucker won less sympathy. "She stole a life, and they deserve right in executing her," Yukio Kamei, a 27-year-old construction worker in Tokyo, said Wednesday.

While the death penalty has been banned in many European countries, it is still widely accepted in much of Asia. "China, for one, puts more people to death than the rest of the world combined: 24,367 in 1996."

But the Tucker case created shock in Europe. Joaquín Navarro-Valls, the Vatican's chief spokesman, said, "It is also the same principle: Only God is the lord of life and death."

Prime Minister Romano Prodi, who heads Italy's center-left coalition, said,

TEXAS: Woman Is Executed Despite Pleas

Continued from Page 1

eligible for parole in 2003 had the board agreed, had asked that she be given life in prison without the possibility of release. But there is no such sentence in Texas, and board members said they could not make a special case of Ms. Tucker.

After the board's ruling, Ms. Tucker's family hopes were with the U.S. Supreme Court, which turned down two appeals without comment Tuesday afternoon, and Governor George Bush, who, under the law, could grant her only one 30-day stay. But here in Texas, the national leader in executions with one in every three that occurs, governors have seldom intervened in death-penalty cases and Mr. Bush was no exception.

"May God bless Karla Faye Tucker and may God bless her victims and their families," Mr. Bush said after declining to grant the stay.

SILVER: Buffett Reveals a Huge Hoard

Continued from Page 1

because silver now sells for less than one-seventh of what it cost at the peak.

The buying, which began last July, helped to push up silver prices even as gold prices weakened. And because a large part of the silver Berkshire has bought has not been delivered, the announcement raised the possibility that some speculators will be unable to come up with the silver that Berkshire is owed.

Berkshire said it would make accommodations if such problems occurred.

The company said it began buying silver July 25, when the near-term silver futures contract closed at \$4.32 an ounce, and made its last purchase Jan. 12, when the price closed at \$5.475 an ounce.

On Tuesday, the current silver futures contract, requiring silver delivery in March, closed at \$6.615 an ounce, up 36.7 cents an ounce for the day and 53 percent higher than when Berkshire began buying the metal.

That was the highest price for the metal in nine years and came even though Mr. Buffett made his announcement after the end of trading for the day.

The futures contract for March delivery was at \$7.020 an ounce in afternoon trading Wednesday in New York.

Mr. Buffett has gained fame over the decades for his willingness to make large purchases of stocks he deems to be undervalued and then hold on to them. But this appears to be his first big purchase of a commodity that — unlike stocks that pay dividends — will produce no cash income for Berkshire until it is sold.

The word that so much silver had been accumulated inevitably recalled memories of the silver accumulation by the Texas oilman Nelson Bunker Hunt. Purchased by Mr. Hunt and his family sent the price of the metal briefly above \$50 an ounce in 1980 before the market plunged, leading to financial distress for the Hunt family, which had borrowed heavily to finance the purchases.

At the peak, according to statements by Paul Volcker, then the Federal Reserve Board chairman and a man intimately involved with efforts to bail out the Hunts after the price collapsed — the Hunts controlled about 110 million ounces of silver. At the time, Mr. Volcker said, there were about 170 million ounces of silver available.

Now, the market appears to be far larger. Reuters quoted one consulting firm, CPM Group, as saying that Berkshire's stake amounted to about 20 percent of the silver market.

When the Hunts were accumulating their position, they and many investors believed that there was no way inflation could be checked and that prices of hard assets such as precious metals could only continue to rise.

Now, the opposite consensus prevails, with inflation deemed to be quiet and unlikely to stay that way and many investors fearful that Asia's troubles will lead to deflation. Silver has aspects of both a precious metal, viewed by some as a storehouse of value, and an industrial one, used in a variety of industries. So while its price could rise in the absence of general inflation, a significant increase would be more likely if inflation were rising.

In a statement released by the company after markets closed Tuesday, Mr. Buffett said he first purchased silver more than 30 years ago, after the U.S. government stopped making silver coins and stopped backing dollar bills with the metal. But he said that in recent years his company had

"I am totally against the death penalty." And, in a rare sign of unity, the country's left and right spoke the same language. An editorial in the leftist newspaper L'Unita even described Ms. Tucker as "a sort of Mother Theresa for drug addicts in jail."

The impending execution was big news in Spain, too. La Vanguardia, a major daily newspaper in Barcelona, splashed an article and color photograph of Ms. Tucker on the front page. On Page 19, there was a graphic of a death chamber with the headline: "Four Minutes to Die."

And when asked about the case, the Spanish justice minister, Margarita Mariscal de Gante, told the national radio network SER on Tuesday, "Intellectually and morally, I am absolutely opposed to the death penalty."

In Dublin, The Irish Times ran a large color photograph of Ms. Tucker looking toward the heavens. Then, in a dig at the United States, the newspaper said in an editorial that the death penalty "does not sit comfortably with the annual survey of human rights provisions around the world published by the U.S. State Department."

(NYT AP)



Mothers of some who vanished during Luis Echeverría's presidency, protesting as he testified on the 1968 massacre of students.

Mexico Congress Looks Into Massacre of 1968

Ex-President Testifies, but Sheds No Light

By Mary Beth Sheridan
and Robert Randolph
Los Angeles Times

MEXICO CITY — For the first time in modern Mexican history, a former president has testified before a congressional committee, as legislators plunged into an investigation of one of this country's most painful events: the army massacre of student protesters in 1968.

Former President Luis Echeverría, 76, was asked to clarify the mystery surrounding the military attack — an assault that started the gradual decline of Mexico's one-party state. Mr. Echeverría was interior minister at the time.

But more striking than his testimony was the fact that the investigation was taking place at all. The inquiry, opened by the country's first opposition-controlled Congress, was seen as an attempt to change a political system that long considered presidents sacrosanct and tight-lipped discipline more important than disclosure.

"This is very important for history," said Armando López, a member of the congressional committee, as he shook the former president's hand before the hearing.

It was a striking reversal of roles: Mr. López told reporters he had been a student demonstrator in the Mexico City plaza on the night of the massacre.

While many books and articles have been written about the massacre, the government has divulged few details about its actions.

What is known is this: On the evening of Oct. 2, 1968, shortly before the Olympic Games opened here, the Mexican Army and riot police opened fire on thousands of students who had thronged the historic Plaza of Three Cultures to demand more democracy. The government said 30 were killed; historians put the figure in the hundreds.

The committee hearing Tuesday disappointed those who were hoping for new information. Mr. Echeverría gave a rambling half-hour speech in which he spoke sympathetically about the students. When the legislators tried to close the session to the public in order to begin asking questions, Mr. Echeverría asked for a postponement.

As the hearing ended, a reporter asked the former president how many people had died in the massacre. "I don't know," replied Mr. Echeverría, who as interior minister had been in charge of public security. "It's being cleared up. Why are you so curious?"

Despite the powerful symbolism of a president being questioned, critics noted that the investigating committee has limited powers and cannot subpoena witnesses or offer immunity for testimony. Some questioned whether the truth would ever emerge.

"This will serve to keep the theme in the media, and ratify its historical importance," said Carlos Monsiváis, a noted social critic. "I don't think it will serve for much more."

The massacre was a turning point in Mexican politics. For many people, it stripped the legitimacy from a one-party system founded on the ideals of the Mexican Revolution, a system that until then had provided political stability and impressive economic growth.

The government said that students had started the shooting and the army had responded. President Gustavo Díaz Ordaz blamed an international leftist conspiracy. But historians have discarded such accounts. For years, they have demanded, in vain, access to government files on the event.

Members of the congressional commission say the moment may finally have come when they can learn the truth. The commission was formed in October after elections in which the Institutional Revolutionary Party lost control of the lower house of Congress for the first time in seven decades.

Assessing a New Iran

Scholar Sees a Possible 'Democratic Peace'

By Nora Boustany
Washington Post Service

WILLIAMSBURG, Virginia — One of the most eminent U.S. academics on Iran, Ruhí Ramazani, has criticized scholars and journalists for neglecting the "global context" of "the mother of all surprises" — the election in Iran in May of President Mohammed Khatami.

Mr. Ramazani points out that the number of democracies around the world had doubled from 1979, the year of the Iranian revolution, to 1997, when Mr. Khatami was elected.

"No amount of banning of satellite dishes, no amount of censorship and no muzzling of intellectuals could keep Iran immune from democratic movements around the world," he pointed out at a U.S. seminar this week.

The notion that the Iranian election was a protest vote by the young, by women and by the discontented of Iran is only half the truth, he stressed. Mr. Ramazani argued that the 20 million Iranians who voted for Mr. Khatami did not simply do so out of frustration.

"It was much more than that," he said. "They were asking for freedom at home and peace abroad."

Mr. Ramazani, who spoke on a panel this week at the Wendy and Emory Reeves Center for International Studies at the College of William and Mary, in Williamsburg, Virginia, has earned the nickname "ayatollah" for his 45 years at the University of Virginia and his status as effective dean of Iranian foreign policy studies in the United States.

He described the incipient phenomenon in Iran as "democratic peace" — an idea dating back to the German philosopher Immanuel Kant, that, once democratic, countries are less likely to go to war against one another. Forces favoring democracy in Iran did not come from the top down, they have bubbled up from the bottom, he added.

Mr. Ramazani elaborates on this theory in the spring issue of the Middle East Journal. He said he did not know when this process of "democratic peace"

would reach a successful conclusion. "After 2,000-plus years of autocracy, you cannot expect the democratization of a theocracy overnight," he cautioned.

When Mr. Khatami expressed regret over the taking of hostages at the U.S. Embassy in Tehran in 1978 in an interview on Jan. 7, people started wondering: "Is this a new fold in the Iranian revolution, or is it the Thermidor?" said another panelist, Farhang Rajaee, a visiting Iranian professor of political science at Carleton University in Ottawa, who taught international relations at Beheshti (National) University in Tehran from 1993 to 1996. Thermidor, the 11th month of the French revolutionary calendar, is a political science term used to describe the last evolving stages of a revolution in which there is often a reaction against revolutionary forces.

In new Iranian political terms, what does dialogue mean? "It means détente with the enemy, integration with friends," Mr. Rajaee said. For the first time now, the Iranian revolution is "no longer reacting to other events, but Khatami wants to be a positive man of action," he added.

Another panelist, Mehdi Noorbaksh, a research scholar at Harvard University, said 20-year-old students in Iran were questioning the responsibility of older leaders of the revolution. Mr. Khatami's popularity, he said, stems from his beliefs that no man of religion is above the social rule of law, from the previous government's failure to bring prosperity to the country and to provide social justice and from "his sincerity in wanting to open up the system."

The scholars concurred in predicting that Iran would not react favorably toward a U.S. strike against Iraq. Mr. Ramazani said the tightrope Iranian leaders would walk would be "clearly one of opposition to military action against Iraq" in spite of Iran's eight-year war against Iraq. It would be very difficult for Iran to maintain silence on the issue, since Mr. Khatami will be chairman of the Islamic Conference Organization for the next three years, he added.

JET: Italy Outraged by Ski-Lift Tragedy

Continued from Page 1

of tragic recklessness," and said he had received assurances from President Bill Clinton in a phone conversation on Tuesday that the incident would be fully investigated and would not be repeated.

Beniamino Andreatta, the defense minister, echoing Mr. Prodi, said the incident was "a clear case of a violation of the rules."

He added that aircraft like the Prowler, whose essential function is radar-jamming, had no need for training at extreme low altitudes.

"There is no reason for a similar type of aircraft to practice low level flying," he said.

But residents of Cavalese — the site of the worst cable car accident on record, in which 42 people were killed in 1976 — and local officials said that complaints about low flying military aircraft, including planes of the Italian Air Force, were not new here, but had long gone unheeded by national governments, including Mr. Prodi's.

On a rise overlooking the meandering Avisio River, a clutch of retired locals spent Wednesday morning gazing down to where the yellow remains of the cable car and a large blood stain were still visible against a snow-covered field.

"The valley is inviting; they play games," said Franco Lanzo, 72, who agreed with others who said they often watched as military aircraft skimmed along the valley much the way the American plane had done Tuesday.

Mauro Gilmozzi, Cavalese's mayor for the last eight years, agreed that local and regional officials had been collecting complaints for years from local residents about perilously low flying aircraft and passing them on to Italy's

Defense Ministry, the Italian Air Force, and the government in Rome.

Speaking after his meeting with Mr. Prodi, he said most complaints involved Italian Air Force planes, although generally flying well above the level at which the American plane flew when it sheared the cable-car wires. But he said the flights regularly cause "enormous noise and fear, because people ask themselves what would happen if the aircraft fell."

Mr. Gilmozzi said the complaints sparked "strong polemics," but he insisted that the Defense Ministry in Rome "was clearly informed" of local disgruntlement.

But he said that while Italian Air Force flights generally passed about 50 to 60 meters above the lines of the cable car, evidence gathered Wednesday indicated that the American plane might have sought to pass under the cables, flying at an altitude of 70 meters above the ground. He said local residents claimed in the past to have seen Italian military planes pass under the cables, but he said they were "only claims," lacking verification.

Under Italian law, he said, foreign aircraft must maintain an altitude of at least 600 meters above the highest obstacle on the ground.

The Italian news agency ANSA, citing unidentified Italian military officials, said the Prowler flight was in clear violation of its flight orders, which forecast training runs at 3,500 feet (about 1,000 meters).

The officials were quoted as saying that since 1997 low level training flights have required case by case approval of the Italian authorities and that Tuesday's flight "in any case did not fall in that category."

PLASTIC: Nagano Accepts It

Continued from Page 1

costing less than \$10. To many visitors, familiar cards are easier than dealing with all those zeros on Japanese yen.

But the Japanese are famous for their hospitality, and Nagano, caught up in the Olympic spirit, is trying its best to accommodate what many locals see as another foreign quirk.

Stores all over town are sprouting little window stickers showing that they accept credit cards, and shopkeepers are even wearing their blue-and-yellow freebie jackets from Visa. As an official sponsor Visa is assured of exclusive rights inside the Olympic village, but other credit card companies can compete elsewhere in the city.

A Visa spokesman, Jeff Perlman, said an eight-month marketing effort had resulted in 2,600 Nagano-area businesses that now accept Visa.

The evolution toward credit has been hard, even for giants such as Japan Railways, the national railroad company. Until now, customers have had to shell out hundreds of dollars in cash for tickets — no checks, no plastic other than the charge card issued by the railroad company. But in the spirit of the Olympics, Japan Railways has quietly begun accepting major credit cards at stations along its Tokyo-to-Nagano route.

There has been no advertising and no signs in the station suggesting that cards are accepted. But if a foreign traveler shows up at the desk with no cash, a ticket agent will be happy to take a card.

But hospitality is one thing, and changing old habits is another. As soon as the Olympics are over, Japan Railways no longer will accept credit cards.

previously the leader in Nagorno-Karabakh. A presidential election must be held within 40 days (Reuters)

Israel to Halt Building Plan

JERUSALEM — Israel moved Wednesday to defuse a potential crisis in Jerusalem after the Interior Ministry engaged Palestinians by approving plans to build 132 homes in disputed East Jerusalem.

"There will not be any construction" in the Ras al Amud neighborhood, said David Bar-Ilan, senior adviser to Prime Minister Benjamin Netanyahu. "There have been many indications that it will disturb the balance of life in Jerusalem at this point."

At issue was a plan by Irving Moskowitz, an American millionaire who owns nearly four acres in the neighborhood of 11,000 Palestinians in East Jerusalem, to build 132 apartments for Jews there.

A second, master plan calls for the construction of 1,020 homes for Arab residents, the Interior Ministry said Wednesday. Both plans completed the bureaucratic approval process a year ago, but the interior minister withheld his signature at the request of the prime minister, said Matityahu Houta, the Jerusalem district commissioner of the Interior Ministry. (AP)

Armenia Crisis Grows Worse

YEREVAN, Armenia — Armenia plunged deeper into crisis Wednesday when deputies accepted the resignations of the president and Parliament speaker, in effect handing power to the hard-line prime minister.

The streets were quiet in the capital, Yerevan, but there was turmoil in Parliament as supporters of President Levon Ter-Petrosyan lined up to submit their resignations in a dispute over policy toward Nagorno-Karabakh, the Armenian-populated enclave in Azerbaijan. Mr. Ter-Petrosyan resigned after a bitter public debate with Prime Minister Robert Kocharian, who opposed concessions proposed by the president over the disputed enclave.

President Boris Yeltsin of Russia expressed regret over Mr. Ter-Petrosyan's resignation and Azerbaijan convened an emergency session of its Security Council to discuss the developments in Armenia.

Under the constitution, the person next in line to be acting president after the speaker is Mr. Kocharian,

New Leadership in Morocco

RABAT, Morocco — King Hassan II of Morocco appointed the opposition leader Abderrahmane Youssefi as prime minister Wednesday, bringing an opposition figure to head the government for the first time in his 37-year reign.

A statement on official Moroccan radio said the king had received Mr. Youssefi, 73, the first secretary of the Socialist Union of People's Forces, at the royal palace and asked him to form a government.

"Mr. Youssefi accepted this mission," the radio said.

Political commentators and diplomats said a coalition was inevitable and may take some time to form.

General elections in November resulted in the 325 seats in the lower house of Parliament being divided almost equally among three blocs. Mr. Youssefi's party, party of the Koutia democratic bloc, holds 57 seats, the most of any party. (Reuters)

Weak Mandate in Costa Rica

SAN JOSE, Costa Rica — A center-right economist narrowly defeated the governing party candidate for president, and the voter turnout was 71.2 percent, a four-decade low, final results showed Tuesday.

Miguel Angel Rodríguez of the Social Christian Unity Party had 46.9 percent of the vote, compared with 44.4 percent for José Miguel Corrales of the National Liberation Party, the Supreme Elections Tribunal announced. Ten other parties divided 8.7 percent of Sunday's vote.

Social Christian Unity won 26 seats in Parliament, three short of a majority, and the National Liberation Party won 23. Six other members were elected from other parties, and the results for two Congressional districts were not announced.

Mr. Rodríguez is scheduled to take office on May 8.



The Armenian prime minister, Robert Kocharian, speaking on Wednesday in Yerevan. He is to become the acting president.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Focus on the Weapons

The indifference of Saddam Hussein to the suffering of his people has created its own dilemma for everyone else. The Iraqi leader has refused to permit the full arms inspections that would end the economic sanctions the United Nations imposed after he swallowed Kuwait. He has managed in using the oil-for-food loophole that the United Nations crafted to spare the Iraqi people the full brunt of his defiance. Now there is a new complication as, again, foreigners show concern for the Iraqi people whom he ignores. Even while the United States moves toward an early military confrontation on arms inspections, the UN secretary-general proposes to expand the oil-for-food loophole and to unlink relief from the gathering storm.

To the general case for humanitarian relief for Iraq, there can be no serious objection. The political argument over who is to blame for the Iraqi population's plight must yield on moral grounds to the alleviation of pain, which, seven years after the Gulf War, is by objective testimony severe in the extreme. In any event, the United States will likely gain politically from the support it promptly announced for Kofi Annan's initiative. The Arab countries in particular have criticized the United States for what they see as a

vendetta against Saddam Hussein pursued at the common man's expense. In the battle over who would blink first at Iraqi distress, the dictator in Baghdad has "won." This is not a contest in which the United States could ever have hoped to compete.

If the humanitarian case for the Anan proposal is powerful, however, its timing is bad. The United States is planning some days of heavy bombing to enforce the UN inspection mandate. It is possible to imagine that Saddam Hussein will ride out a first attack. Is this the right moment for the United Nations to move toward an early military confrontation on arms inspections, the UN secretary-general proposes to expand the oil-for-food loophole and to unlink relief from the gathering storm.

Such a posture would cut directly across the urgent international effort to take weapons of mass destruction out of his hands. A delay on the Anan proposal in order to keep a tight focus on the arms makes sense. Many lives are at stake there, too.

—THE WASHINGTON POST.

The Press Does Its Job

There is nothing like a big, fast-breaking story that people are really curious about for putting the professional press critics into their condemnatory mode. In turn, the whiff of condemnation puts many reporters and editors into mea culpa overdrive. A certain amount of public self-criticism is healthy in any field, especially one as powerful, diverse and unregulated as the media. But during Hurricane Monica, self-examination has morphed into unwarranted self-flagellation.

Free-flowing information is the fuel of democracy. The pontifical fog from the televised press panels should not obscure the key fact that industrious, unimpaired reporting has brought to light the factual outlines of a situation that indisputably belongs before the public.

The task of thinking straight about the mainstream reporting on this story is complicated by the sudden growth of non-orthodox journalism in the tabloids, the 7 o'clock gossip shows and Internet free-lancers. Certainly, these elements have speeded up the deadline clock and distorted the boundaries of good taste. As combatants in what Hillary Clinton regards as a political battle, the White House is well within its rights to seize on Matt Drudge's appearance on "Meet the Press" or ill-sourced accounts of the evidence-bearing dress as symbols of recklessness.

But no one should confuse regrettable lax sourcing and inaccurate details with being wrong on the big picture. Nor should we take President Bill Clinton's refusal to discuss matters about which he is the only person in the American government who knows the truth as a reason to end a national conversation that is worth having. It matters to millions of citizens whether the president has lied under oath or looking directly into the cameras. It is, moreover, a fair matter of civic curiosity for any citizen — or newspaper — to wonder about the reports

that the White House has not refuted. An obscure Pentagon employee who was once a White House intern was cleared to visit the White House 37 times in 21 months, had some kind of undefined relationship with the president, exchanged gifts and telephone calls with him, and shortly after being subpoenaed in the Paula Jones case had the energetic job-search services of one of Washington's most powerful lawyers.

The public cannot unlearn what it knows. Mainstream journalists cannot tell their readers or viewers never mind. Professional discipline calls for extreme care with the facts and the withholding of final judgment. However, it does not demand, or even allow, the shutting down of common sense or intellectual curiosity. Moreover, there is good cause to think that Mrs. Clinton's desire for a rigid "zone of privacy" around the personal conduct of the president is an unreasonable public policy.

In ordinary circumstances, the New York Times does not delve into sexual conduct and deeply private matters. But experience has taught that at the presidential level, many aspects of character and behavior are relevant to making an informed judgment about a person's ability to lead in time of crisis. We also note that Mr. Clinton's troubles in this area come from former Clinton acquaintances and business associates talking about a man they knew, not from unwarranted press snooping.

Journalism sometimes rushes too fast in the heat of competition. But both democracy and journalism are processes that are defined through action. The Clinton crisis may produce a new, more worldly way of judging the private lives of candidates and officeholders, but it would be a shame if journalistic digging got a bad name. For the last three decades, it has been the citizens' most dependable source — sometimes the only dependable source — on what the government was up to.

—THE NEW YORK TIMES.

Other Comment

Start Paying Off the Debt

Think of it: a balanced budget without a deficit. In fact, President Bill Clinton's fiscal 1999 federal budget projects a surplus of \$9.5 billion. And in the future? More balanced budgets with growing surpluses. The fiscal good news is dazzling.

This is a remarkable achievement, one that many Americans thought they would never see again. It is the result of commendable efforts by both the president and Congress and a conjunction of a buoyant economy and the end of the Cold War.

But Washington should not rush to spend those future budget surpluses. As of now, they exist only on paper and will occur only if the economy continues to perform at an exceptional pace. Even the \$9.5 billion that Mr. Clinton projects for next year is based on some iffy assumptions.

The president could seek to use some of the surplus to begin paying down the

federal debt. After all, just because a family paid this month's minimum credit card payment — the equivalent of balancing the federal budget in any one year — that does not mean the debt goes away. It is still there, with interest costs accumulating. The federal debt is still there, too, a massive drain on the economy, a giant shadow lurking just behind all the good budget news coming from the White House.

The debt grew from \$1 trillion when Ronald Reagan entered the White House to \$5.4 trillion today. The annual interest payment is one of the largest single items in the new federal budget. At \$242 billion, the interest cost is just shy of the nation's entire defense budget next year.

Some might ask: What's the point of trying? Well, many people had found a projected balanced budget unimaginable. There is only one way the astronomical debt can be dealt with — a dollar at a time. Let's start in 1999.

—Los Angeles Times.

For a Responsible America in a World Community

By Flora Lewis

DAVOS, Switzerland — The way the United States has come to tower over the world was made evident at this year's World Economic Forum. America's clear superiority in all major realms of power — military, economic, political, technological, cultural — was repeatedly called to everyone's attention.

William Richardson, U.S. ambassador to the United Nations, stressed "the importance therefore of the U.S. being international."

He was obviously addressing himself to Americans, especially congressmen who voted against paying back UN dues, because all the people here could not agree more. They see U.S. power not so much as an advantage but as a responsibility, which they would like to see better fulfilled.

The ominous noise of the impending and seemingly inevitable war with Iraq almost drowned out signs that Washington is coming to see that it does need to take some new initiatives.

The failure to foresee and avert the East Asia economic crisis, now recognized as a danger to many more than the countries directly hit, has sparked new thinking about how international finance has ballooned out of control.

Serious social upheavals are expected in several countries as the pain of economic collapse falls on many millions of people. Already, Washington is beginning to plan on providing emergency food assistance to Indonesia, which will not be able to buy essential supplies.

But beyond the efforts to stem the crisis, there is a new awareness that the mechanisms available to keep the world's money stable are just not adequate to deal with the overwhelming volume of capital flows.

The experts are starting to talk about "Bretton Woods II," a successor to the conference at the end of World War II which set up the World Bank and the IMF Fund and made what rules exist.

There is controversy about whether Bretton Woods II should set up additional institutions or provide new powers to the existing ones. But at least Washington has at last decided to study the issue and figure out how to draw up new proposals. The Clinton administration realizes that if it does not move, nobody else will.

The free market has become every-

body's maxim, but resistance is melting to the idea that orderly rules, particularly of disclosure and accountability, must be imposed if it is to function reliably.

Another new development, responding to foreign grievance, is the State Department's initiative on the use of sanctions. Since 1945, the United States has applied some kind of sanctions in a hundred cases for a wide variety of reasons ranging from human rights to terrorism to nonproliferation. But 63 of these cases have been in the last three and a half years, a sanctions mania burdening foreign relations.

American business is starting to lobby against the harm it does to commercial interests. So a system is to be devised to make a cost-benefit analysis of each proposal for sanctions. There are many times, especially with Iran and Cuba, when the damage caused by resulting tensions with allies may outweigh the impact on the target country.

The idea is to demonstrate that sanctions are not a cost-free foreign policy tool. To decide whether they are worth while requires a case by case study of the hidden costs as well as of the probability that they will work. And that

cannot be shown unless the aim is clearly and specifically defined.

Six hundred U.S. companies have set up an organization called USA-Engage to challenge sanctions mania. The State Department relies on their support to persuade Congress that sanctions have to be much more selective, much more carefully calculated in terms of national interest instead of special interest groups.

This is one way of taming the tendency to use America's newfound sense of power irrationally, just because the power is there when some Americans want to show disapproval of something, regardless of other countries' views. That is part of what drives others to denounce a supposed American will to hegemony.

Of course the power is limited by the will of others. But more important is to limit it by a sense of responsibility so that Pax Americana can for the first time provide the world with community rather than imperial dominion.

America is "indispensable," as President Bill Clinton has said, but neither it nor the world will benefit if it tries to be overwhelming.

Flora Lewis.

Friend Blair Pays a Timely Visit to the Unsteady Superpower

By Jim Hoagland

WASHINGTON — British prime ministers have long understood that American presidents always do the right thing in a crisis, after exhausting every other option. The residents of 10 Downing Street have for six decades stuck close to the occupants of 1600 Pennsylvania Avenue — to be in position to tip the balance at the crucial moment.

Tony Blair's visit to Washington this week follows that familiar pattern, even if he would never dream of calling attention to it. He will instead stress Britain's willingness to join U.S. strikes against Iraq and will emphasize the close political and ideological partnership that he and Bill Clinton have established.

Both things are true. But they are not the whole story of the special relationship as the millennium approaches.

Mr. Blair is arguably Mr. Clinton's most important friend abroad at this moment of international political and monetary upset. No other important foreign leader combines solid control of the legislature, moral authority at home and econom-

ic prosperity as Mr. Blair does. His three-day visit, which ends on Saturday, will point up that America has again become a brash, unpredictable Rome in need of tutoring and wise counsel from a physically weaker but more sophisticated modern-day Athens.

This is a result in equal parts of Mr. Clinton's domestic troubles and uncertain handling of much of his foreign policy agenda, and of the legislative arrogance and introspection that grips Congress.

These factors make America an unreliable player in international politics today. Unlike the French, Germans, Israelis, Egyptians and others, the British mask their uneasiness with American leadership so as to be able to influence it.

Americans should remember that there will be two Tony Blairs visiting. On Iraq, he will speak as the British prime minister. On Iran, Cuba and other topics, he will speak as the European leader who chairs the European Union for the first six months of 1998.

Blair the Brit will offer genuine and important support on an urgent matter of war and peace. Blair the European will offer genuine and important opposition to congressional attempts to isolate Iran and extend U.S. law over foreign commercial transactions.

Mr. Blair's foreign secretary, Robin Cook, paved the way in Washington last month by publicly attacking the congressional approach to Iran as "wrong in principle and counterproductive."

Mr. Blair is more likely to stress the progress that has been made on controlling exports to Iran of technology and goods that can be used to build chemical, biological and nuclear weapons and long-range missiles.

He will report that Europe has moved significantly to tighten proliferation controls on Iran, and has joined Washington in pressing Russia's Boris Yeltsin to do the same.

U.S. special envoy Frank Wisner got Moscow to accept the European Union's list of

prohibited exports as its own. That should, in the British view, set the stage for a joint U.S.-European approach to Iran that emphasizes dialogue and drops punitive sanctions.

In general, European leaders have concluded that it is impossible to prevent Iran from eventually developing weapons for mass destruction. As a big, homogeneous and ancient nation, Iran must be dealt with and not simply ostracized, in this view. The task for diplomacy is to reason with the Iranian leadership, delay its acquisition of deadly weapons and discourage Iran from reckless actions.

Iraq under Saddam Hussein is a different case. Military action is justified to deny the Iraqi regime weapons of mass destruction.

But throughout the crisis over UN inspections, Mr. Blair and Mr. Cook, both of whom are lawyers, have pressed Washington to give the French and Russians time and flexibility to make a deal that protects the inspections while giving Saddam some "light at the end of the tunnel" on sanctions.

In November, for example, it was Mr. Cook who forced Secretary of State Madeleine Albright's hand when she initially balked at flying to Geneva to meet with him and the French and Russian foreign ministers on Iraq. He would have to go to Geneva even if she did not, the foreign secretary dryly observed, according to two independent sources, and Mrs. Albright changed her plans.

British concern that Washington might be rushing the pace of NATO expansion has also surfaced from time to time. It is difficult to gauge how this has affected U.S. decisions, but the recent U.S. policy statement that effectively put off consideration of NATO membership for the Baltic nations for a decade was met with relief in London.

Margaret Thatcher loudly took credit for guiding two American presidents in the ways of the world. Tony Blair is far more discreet, but certainly no less important to America's unsteady world leadership.

The Washington Post.

Storm Clouds Over the Pacific: Beware of Trade Tension

By Robert G. Lees

HONOLULU — Leaders on both sides of the Pacific should carefully watch storm clouds that are gathering just over the horizon. Unless clear heads prevail, the region may be heading toward a period of heightened tension between the United States and East Asia over trade.

Such tension could set back the cause of trans-Pacific economic liberalization, and slow

Asia's recovery from financial turmoil.

Stalling economies and weak demand in East Asia, combined with currencies that are now worth much less against the dollar than in July, when the region's troubles erupted, provide both the means and the motivation for a surge of Asian exports to the United States.

The timing could not be worse. Protectionism and a "Why should we care about Asia?" attitude are gathering strength in Congress, and could set off a new round of trade warfare if triggered by a surge in Asian imports.

Many Asian companies will find it difficult to recover by expanding sales at home or in

other Asian markets. They will need to look outside the region. The United States will be a key target because it has a robust economy, an open trading regime, a market large enough to absorb these products, and an overvalued currency.

Weakened Asian currencies will give Asian goods a competitive price advantage, arming Asian firms with a weapon to export aggressively.

How would such a surge of Asian imports be viewed in the United States? The Clinton administration has pushed for free trade and support for the IMF. But long before the administration's push for these causes had been weakened by scandal, Congress had already shown the strength of its protectionist muscle by forcing President Bill Clinton to back away from formally requesting fast-track trade negotiating authority.

The last Congressional session closed without even voting on a White House request for extra U.S. funding for the IMF, and Mr. Clinton faces an uphill battle securing the money in the current session.

It does not take much imagination to envision the damaging media sound bites that certain politicians could fashion about the U.S. taxpayers who paid for the Asian IMF bailout, only to find their jobs being threatened by a rising tide of

imports from these same nations in East Asia.

Especially as Japan, the country with the greatest financial exposure to the region, does little to further open its markets and stimulate demand even though it has the world's second largest economy.

It would be an extreme tactical blunder for Asian leaders to assume that because the American economy seems likely to continue growing at a healthy pace, a big increase in imports could be absorbed without howls of protest or calls for retaliatory action.

Funding for IMF programs and continued trade liberalization are essential if East Asia is to surmount its current difficulties. The highly charged political atmosphere that would result from a surge in Asian imports would imperil U.S. participation and leadership in both.

Responsible leaders on both sides of the Pacific would be well advised to ponder the implications of these disturbing but very real possibilities.

The writer is secretary-general of the Pacific Basin Economic Council, an association of senior business leaders representing more than 1,000 firms in 20 countries around the Pacific. He contributed this comment to the International Herald Tribune.

Get the UN and Business Talking

By Maria Livanos Cattani

PARIS — The way the United Nations regards international business has changed. With Cold War rivalries fading into history, the UN and other intergovernmental organizations have to confront the new challenges of the global economy. They need business to help them.

This shift toward a stance more favorable to business is being nurtured from the top. UN Secretary-General Kofi Annan has said: "The impact of the private sector is of growing importance. It would be timely to develop means of consultation between the United Nations and the business community."

Nowhere has the change in attitudes been more marked than in the field of international investment. The overwhelming majority of governments now see foreign direct investment as a national asset, the source of economic progress and new wealth for their people.

They vie with one another to persuade companies that their countries offer social stability, the rule of law, and a regulatory framework capable of inspiring investor confidence.

Long gone are the days when governments of what was then known as the Third World used the UN platform to berate multinational corporations as rapacious monsters bent only on depriving them of their natural assets and draining their national wealth.

This courting of foreign capital and expertise is a sign of the times. The market economy system is everywhere embraced as the most effective means of generating and spreading wealth.

But it cannot operate at maximum potential without an efficient regulatory framework that sets the rules of the game. Those rules once came almost exclusively from national gov-

ernments, but that is changing fast. As economies become ever more closely enmeshed, the need for strong multilateral rules becomes even more pressing.

The emphasis has to shift from national or regional legislation to rules that can be applied globally. For these, business must look to the United Nations and its agencies as well as to other key intergovernmental organizations like the World Trade Organization.

International institutions increasingly turn to business. An example is the Business Partners for Development initiative launched at the World Bank to encourage development agencies to involve businesses in their own programs. A senior World Bank official remarked, "The public sector isn't hacking it alone any more."

Next Monday in New York, the International Chamber of Commerce, representing business throughout the world, will conclude an agreement to establish a systematic dialogue with the United Nations. The purpose of these contacts is to establish fruitful areas for cooperation between the United Nations and business as the main agent for diffusing technology and wealth through trade and investment.

What makes the dialogue possible is the perception by both sides that open markets are a precondition for spreading more widely the benefits of globalization, for integrating developing countries into the world economy, and for improving living standards of all the world's peoples, and in particular the poor.

One priority area where business can contribute expertise is to make sure that the global financial system has the checks and balances needed to avert

East Asia-style financial crises. Another is pursuing economic growth while protecting the environment. Others are trade liberalization, defense of intellectual property rights, the fight against corruption, and modernization of customs procedures.

The dialogue is coming about not a moment too soon. Globalization has the potential to bring immense benefits to the human race. But, as recent events in East Asia have demonstrated, it can swiftly magnify local crises into problems affecting the entire world economy. Hence the need for a framework of rules on investment, capital markets, competition policy and a host of other areas.

Governments and business both have their responsibilities. As the global economy grows, it will be for governments — particularly in the poorer countries — to find ways at national level to ensure that newly generated wealth benefits all their people and not just a privileged few.

Creation of small and medium-sized businesses will be the most effective way to spread genuine wealth, as opposed to handouts. Here business knows how — communicated perhaps through the chamber of commerce movement worldwide — has a key role to play.

Rural infrastructure development and provision of basic health care and education will be essential, too, but these are all primarily the responsibility of government.

Finally, it remains for business — to provide the enterprise, capital and inventiveness, and to forge the alliances and strike the deals that make the global marketplace a reality.

The writer is secretary-general of the International Chamber of Commerce. She contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: No to Illiterates

WASHINGTON — After a short debate the Senate, by a vote of 48 to 25, passed the Anti-Immigration bill, excluding from United States territory illiterate immigrants over sixteen years of age. Exception is made for widows, fathers and mothers and grandfathers and grandmothers of immigrants already established in the United States.

1923: Italian Business

ROME — Signor Mussolini, the Premier, has won the support of Italian business circles with his motto, "Speed and Production." This slogan is one which manufacturers have been striving to popularize. They find that Signor Mussolini is now on the way to doing it; both his technique and his reforms inspire them with confidence. Manufacturers in Milan, merchants in Rome and bankers in

Naples all speak of him with equal enthusiasm. And this is what they say: "At last Italy has a statesman who knows what he wants. Mussolini has steady nerves. He will not let himself be imposed upon by mob threats. He will no longer permit the Treasury to be a general grab bag. He will give Italy prestige. Business will boom."

1948: Ceylon Free

COLOMBO — Ceylon, after 300 years of foreign domination, today [Feb. 4] attained full self-government. At midnight temple bells heralded the advent of Ceylon independence, and later salvos of guns, the bursting of firecrackers and the shriek of sirens proclaimed the birth of the Dominion. Ceylon's Premier appealed to the people to "rise to opportunities which freedom offers and to strive for the establishment of this great Lanka (Ceylon)."

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OPINION/LETTERS

What's the Point of This Story? Sex! So Quit the Pontificating

By Frank Rich

NEW YORK — From day one there has been only one man with the vision to see the story clearly, and see it whole. I refer, of course, to America's maitre d' of feeding frenzies, Larry King.

The night the Lewinsky saga broke, Mr. King assembled the usual gang of Beltway suspects on his CNN broadcast — Bob Woodward, James Carville, Marlin Fitzwater — but whenever they dawdled over great constitutional issues, Mr. King cut to the chase: "So sex is still numero uno of interest?" he asked.

He hasn't let up since. A few nights later Mr. King interrupted another ponderous panel to get it back to the point: "The name of this story is sex, correct?" And a few nights after that he cut off another, curtly: "This is, in fact, when we get down to it, the story of sex, right?"

Each time, the gasbags at hand patronizingly acknowledged Mr. King's point before retreating to loftier observations about the independent counsel law or shedding more crocodile tears over the deflowering of the press.

But the name of this story IS sex, and if we Americans have learned nothing else in two weeks it's that we can't get enough of hearing about it — even as we pretend to be above such tawdriness. While 75 percent of the public tells ABC pollsters that there is too much media coverage of the scandal, it has nonetheless consumed that coverage voraciously.

While 90 percent of Americans believe that adultery is always or almost always wrong (according to last summer's Gallup

poll), they are giving the president, whom they find guilty of this sin, a free pass.

Though recent academic sex surveys suggest that most of us lead moderate sex lives, the trade monthly Adult Video News reports a 100 percent rise in American porn-video rentals and sales since 1992, Internet porn not included. At \$4.2 billion, it's a business twice as large as major league baseball, three times as large as Disney's theme park division, eight times as large as Broadway.

Nonetheless, the lawyer William Ginsburg aped most of the television pundits Sunday when he declared: "I don't think ... the American public is really interested in the president's sex life, Monica's sex life or anybody else's sex life."

Guess again. That's all it's interested in, which is why the story is now subsiding. Without salacious details, this Clinton scandal would have no more legs with the public than have Whitewater, Lippogate, Filagate or Travelgate.

The TV coverage is calming down now not because this scandal has or because the networks have suddenly decided to take the high road in chastened reaction to public anger at their excesses, but simply because there is, for the moment, no fresh sex to fuel it.

It was a dark day for Oralgate as an entertainment juggernaut when the media had to retract such sordid staples of the coverage as the alleged semen-stained dress, the Secret Service voyeur and incidents of presidential phone sex. Time lines about possible suborned perjury, let



By CONRAD L.A. Times Syndicate

alone professional catfights between Mr. Ginsburg and the lawyer Alan Dershowitz, just don't cut it. A soap opera without daily helpings of sex is an oxymoron.

Rather than fill the drought with, say, further investigation into the White House campaign finance scandals — how many Americans even knew that Charlie Trie was indicted last week? — the media instead try to strike lascivious sparks from damp wood.

MSNBC trots out grainy newsreel footage of the Wilson and Harding administrations in its search for novel presidential hanky-panky. As if Ms. Lewinsky weren't young enough for prurient fantasies, the New York Post runs a photo spread illustrating how a cosmetic makeover could make her look younger still.

This week's Newsweek eroticizes even

Oralgate's secondary female players: the right-wing pundit Ann Coulter is a "wildly" blonde, the alleged Clinton paramour Dolly Kyle Browning a "bubbly" blonde and the book agent Lucianne Goldberg a "good-time girl."

Meanwhile, tonier essayists everywhere are dredging up François Mitterrand's mistress to pursue the "French" angle.

Poor Larry King. On Monday he was reduced to asking George Stephanopoulos if HE had ever dated Monica. Poor Kenneth Starr. He can't get America's attention unless he's trading in sex, and then he's branded as a puritanical witch-hunter. Poor media. All dressed up in "President in Crisis" logos with no new bimbo eruptions in stock. Poor public. Once more into the video store, dear friends.

The New York Times

Embracing the Market: Beware a Backlash

By Daniel Yergin and Joseph Stanislaw

WASHINGTON — Is today's embrace of the market truly a revolution or only a temporary romance? Will this resurgent capitalism spawn the kind of excess and instability that was rampant in the early part of the century and cause the same sort of backlash that led to government's

and demanded a new and much enlarged role for government.

In Europe, the response to the Depression was the mixed economy and the welfare state. Britain's Labour Party ultimately nationalized such basic industries as coal and steel, railroads and utilities.

This became the conceptual basis for the developed world's mixed economies over the next 30 years. The government would own the strategic industries, which would be insulated from the tests of the marketplace. The modern welfare state was integral to the mixed economy, the very embodiment of solidarity and the postwar social contract.

The great reversal also began in England, galvanized by the election of the Conservatives' Margaret Thatcher in 1979. During her 11 years as prime minister, Mrs. Thatcher initiated a program of privatization, government retrenchment and market emphasis that widely influenced governments around the world.

The moral appeal of socialism and state intervention is clear and explicit: altruism, sympathy and solidarity with fellow human beings; dignity and social betterment; justice and fairness. The market system's moral basis is more subtle and indirect.

The essential morality of the market is threefold. The first is in the results it delivers, in what it makes possible for people and, cumulatively, for the betterment of society. The second lies in the conviction that a system based on property, contracts and initiative provides protection against the arbitrary power of the state. The third is the quality of the "rules of the game" that govern its workings.

If the market is seen to fail on any of these grounds, there will surely be another backlash. For the renewed confidence in the marketplace to endure, there must be a realistic appraisal of its risks and uncertainties — and of its benefits, limits and values.

This comment was adapted from "The Commanding Heights: The Battle Between Government and the Marketplace That Is Remaking the World," Mr. Yergin, a Pulitzer Prize-winning author, is president of Cambridge Energy Research Associates. Mr. Stanislaw is the company's managing director.

MEANWHILE

long ascendancy? Will the cycle be repeated or broken?

The shift to markets does not signal government's end. Yet the scope of government — the range of duties it assumes in the economy — is decidedly receding. It is impossible, of course, to say whether this shift is irreversible. History is not a definitive guide. But it serves as a sobering reminder of what happens in the face of war and economic upheaval.

In the traumatic aftermath of the Depression and World War II, "government knowledge" came to be seen as superior to "market knowledge." Behind this was the conviction that markets went to excesses, that they could fail, that there were too many needs and services they could not deliver, that the risks and the human and social costs were too high and that the potential for abuse was too great.

No other figure in the United States so symbolized the massive failure of capitalism in the Depression as the electric power tycoon Samuel Insull.

Unknown today, he was celebrated as a genius in the giddy 1920s. He created an empire in which he held no fewer than 65 corporate chairmanships, 85 directorships and 11 presidencies. "Insullism" was held up as a model for the future.

But with the stock market crash and the Depression, Mr. Insull's empire collapsed and the stock in his holding company plunged from over \$100 a share in 1929 to little more than \$1 in 1932. He was acquitted of larceny and embezzlement charges, but when President Franklin D. Roosevelt needed a symbol of greed and arrogance to push his New Deal he often invoked the name of Insull.

In the United States, it was Roosevelt who most profoundly altered the relationship between the marketplace and the state. He repudiated unfettered capitalism

LETTERS TO THE EDITOR

Texas Execution

Regarding "U.S. Court Won't Bar Execution" (Feb. 4):

American society has sadly failed if there can be no mercy and no recognition that a person can have a change of heart. In what way can the taking of a life ever make up for the one that was lost? Would that something shake up those who profess moral superiority and so simplify good and evil.

MARY L. UGNAT,
Bevaux, Switzerland.

If Governor George Bush of Texas and others really believe that the death penalty is an effective deterrent to murder, perhaps they should go further.

They could take a cue from Islam and institute hand-lopping and head-chopping — in public. That would really scare some sense into people!

JEFFREY KENNEDY,
Rome.

The judicial murder of Karla Faye Tucker by the state of Texas reveals the United States as a barbaric nation that is totally unqualified for its role as leader of the civilized world.

DENNIS B. STUART,
Frankfurt.

Value in the Skies

Regarding "Flying to Japan" (Editorial, Feb. 4):

In connection with the civil air transportation agreement between Japan and the United States, let me express my personal views.

It seems that for many American consumers, price is the sole criterion. As a passenger, however, I am willing to pay extra — say \$200 to \$500 — to enjoy better service: pleasant flight attendants, no last-minute hassles caused by a company's policy of overbooking, no being rerouted to a different airport without notice.

Also, "international" flight attendants on U.S. carriers often speak only one language, English, while Japanese attendants speak at least two languages. Shouldn't this factor be included in the price of a ticket?

Also, the Northwest Airlines flight from the United States to Manila via Tokyo is often late because of stopovers, arriving at the dangerous hour of midnight. This could put my safety, and my luggage, in jeopardy.

Perhaps we Japanese consumers should understand that the cheaper fares on American airlines come with a lot of hidden costs. Similarly, American consumers should be aware of higher-quality service: more value for more money. Price does not tell the whole story.

Lastly, many of my counterparts working for other governments, including the U.S. government, are surprised to learn that the Japanese government

does not require its officials to fly on Japanese carriers. We have total freedom to choose our favorite airlines, unlike our American colleagues.

MIKIE KIYOL,
Tokyo.

The writer works in the international press division of Japan's Ministry of Foreign Affairs.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

PLEASURE WARS: The Bourgeois Experience — Victoria to Freud, Vol. V

By Peter Gay. 324 pages. \$29.95. Norton.
Reviewed by Michael Dirda

PETER GAY first made his reputation as a distinguished historian and interpreter of the 18th-century Enlightenment, stressing, among other matters, that the philosophes of the age of reason were a lot more impulsive and emotional than had been commonly imagined. Then, in mid-career, the Yale historian (now emeritus) began to study and write about Freud, often defending the great thinker's ideas and accomplishments during an age of sometimes virulent criticism. Gay even undertook psychoanalytic training, so that he now regards himself as "a historian informed by psychoanalysis."

Fourteen years ago, starting with "The Tender Passion" (1984), Gay embarked on a five-part history of the American and European bourgeoisie during the 19th century from, as he has it, "Victoria to Freud." That first volume, along with the second, "The Education of the Senses" (1986), explored the complexities of Victorian attitudes toward love and the body, disclosing the existence of far more variety, openness and joy in sexual matters than had hitherto been imagined. These books were followed by "The Cultivation of Hatred" (1993), an examination of how the 19th century came to understand and harness man's destructive urges. Most recently, Volume IV, "The Naked Heart" (1995), peered into the inner life, and discussed the legacy of romanticism, from the rise of biography and autobiography to nervous ailments, from the German custom of student dueling (the *Mensur*) to the insights of satirists and wits.

Like its four predecessors, "Pleasure Wars" — a study of how the bourgeoisie

responded to the new in art, music and literature — "may be read as a protest against clichés that have long served to caricature 19th-century bourgeois as canting hypocrites, money-crazed and philistine, incapable of love, rationalistic and yet irrational." All too often, Gay writes, "to many minds the Victorian decades stand ... as a time of greed, lies and kitsch." He notes that "the perception of the bourgeoisie as the unconstructed, philistine champions of ossified taste, as antimodernists incarnate, has retained its prestige to this day." In modernist myth the battle lines are always drawn between avant-garde artists and a conventional middle class.

Not true, asserts Gay. Or at least not entirely so. Once again, Gay hopes "to clarify (by duly complicating) important issues." As he suggested as long ago as 1984, in a general prologue to "The Bourgeois Experience," the avant-garde "was no more unified than the middle classes that its articulate, self-elected spokesmen were savaging; many good bourgeois actually welcomed the new art and patronized it without condescension, while, on the other hand, many avant-garde artists and writers were solid bourgeois at heart."

Who would have thought, for instance, that Baudelaire actually dedicated a volume of art criticism to the bourgeoisie as "the natural friends of the arts," as the founders of "collections, museums, galleries"? Or that the revolutionary painter Manet, whose nude "Olympia" shocked Paris, aspired to the Legion d'Honneur, and subscribed to two clipping services? Above all, Gay shows us what many Victorians actually believed: that "commerce and culture need not be enemies but can become partners, and enterprising, sensitive and well-informed bourgeois can make money serve civilization."

To this end Gay, as in the past, showers the reader with anecdote, quotation and revealing facts, all of which

go far to indicate how strongly the middle classes supported and buttressed the cultural life of the 19th century. Gay relates the history of the Halle Orchestra of Manchester, founded and supported by the city's industrialists. Though Flaubert consistently attacked the provincial bourgeoisie, research suggests that the novelist's own city, Rouen, was an oasis of amateur musical, artistic and scientific clubs and societies. Not least, Gay reminds us that, no matter how alienating his art, "it was middle-class collectors who rescued Picasso from indigence and saved his career."

As he does in his other books in this engrossing series, Gay deliberately writes an old-fashioned kind of "literary" history, witty, informative and fun to read even as one argues with some of the author's points or his slightly conservative bias. Certainly, the bourgeois often supported art, but, as Gay himself indicates, that art might be conventional more often than innovative. Louise Havemeyer may have been a daring collector of sexy nudes, but her taste was only so-so. Sainte-Beuve was a superb interpreter of the classics but often dead wrong about his most important contemporaries. Orchestras and museums, then as now, emphasized the familiar and established and only incidentally the new and refractory.

Still, these are arguable cavils, and one can really only applaud and admire this grand historical enterprise. The five volumes may be read independently, as intelligent entertainment, but together they provide an eye-opening survey of 19th-century culture.

The long bibliographical essays in each installment of "The Bourgeois Experience" are themselves as interesting as the text they support, ranging through obscure archival material and half-forgotten works of history to the very latest journal articles, dissertations and fashionable scholarship.

Washington Post Service

BRIDGE

By Alan Truscott

IT is often said that defense is the most difficult part of the game, an arguable proposition. It is probably not true for experts, who win and lose their points mainly in the area of bidding, but it is true for everyone else. Four recent books from England are worthy contributions to this important field. In ascending order of difficulty they are: "Basic Defense" by Freddie North, "Focus On Defense" by Danny Roth, "Step by Step: Planning the Defense" both by Raymond Brock. All are available from Bridge World at (800) 599-0033. For mailing any num-

ber of books, add \$3.95, plus New York tax if appropriate, in the United States, or \$6.95 elsewhere.

None of the candidates for the 1994 European Junior Team title solved the problem presented by the diagrammed deal, from "Expert Defense." Three no-trump was the normal contract, and the spade four was the normal lead.

East should judge that South must have two honors doubleton, since West would lead an honor if he held three of the missing four. So East must play the seven, preserving his 10.

South wins with the king, and cashes the ace and king of clubs. A third club goes to West's 10 and East throws a

diamond. Now West cashes the ace of spades, dropping declarer's queen, and continues with the spade jack and a fourth spade to East's 10. What should East do next? South has discarded a heart and a diamond on the spades.

East can be fairly sure that South has two club winners, and two cards remaining in each red suit. He must have the diamond ace, for if West had it he would have cashed it before playing the fourth spade.

East must attack dummy's entry by leading a heart. As it is, West's jack will force the ace and he will eventually take the setting trick. But if East returns a diamond at the eighth trick, South will cash

his minor-suit winners and squeeze West in the red-suits to make the game.

NORTH		EAST	
♠ 9 8 2	♠ 10 7 3		
♥ A 10 7 6	♥ 8 4 2		
♦ J 6 2	♦ 10 7 4 3		
♣ A K 5	♣ Q 3		

SOUTH (D)	
♠ K Q	
♥ Q 8 3	
♦ A K 5	
♣ A K 7 2	

Neither side was vulnerable. The bidding: South 2 N.T., West 3 ♣, South Pass.

West led the spade four.

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TribTech

NASA Quietly Gets Ready for That First Trip to Mars, Just in Case

By Warren E. Leary
New York Times Service

WASHINGTON — As it has through the ages, Mars, at times the nearest planetary neighbor of Earth, holds a strange fascination for people and has long been a coveted destination for the more imaginative.

Whether spurred by science fiction or hints of past life in ancient Martian rocks, many people seem to feel that inevitably humans will set foot on the red planet, first to visit, then to stay.

Quietly, and often unnoticed, scientists and engineers are putting together plans and the technology to make such dreams a reality. At several National Aeronautics and Space Administration centers, and at universities and aerospace companies, small-scale studies are under way on bits of technology that could come together to send a human crew to Mars early in the next century.

New approaches being examined for a Mars trip — using lighter, partly inflatable ships, developing closed systems to recycle wastes and produce food, and making rocket fuel on Mars instead of hauling it from Earth — show promise.

Because there is no political mandate for a human mission to Mars, NASA is approaching the possibility cautiously

and with little fanfare, sponsoring several low-cost research projects and reading blueprints for an endeavor, should one be called for.

"I don't know of another event that would inspire our imaginations or stimulate our innate feelings for exploration more" than such a journey, said Daniel Goldin, the agency administrator.

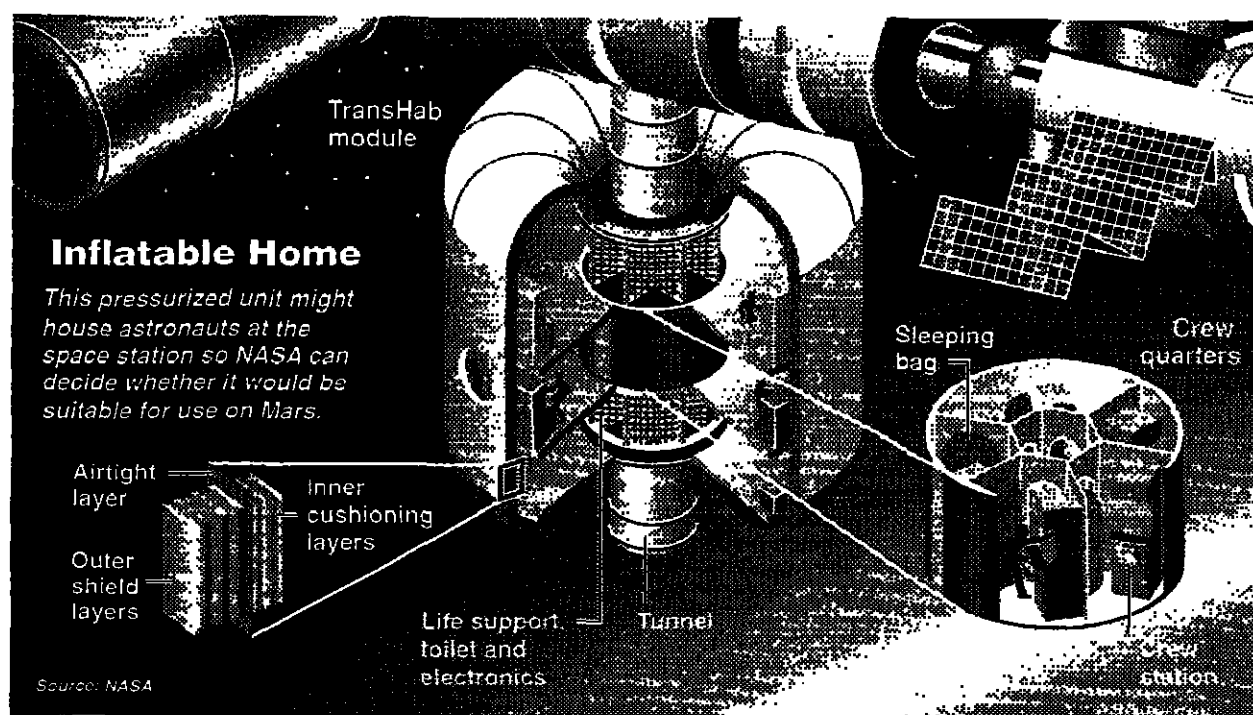
Mr. Goldin says that in the next five or six years, he wants his agency to lay the groundwork for such a venture. At the end of that period, he said, criteria for the mission should be solid enough to show the president or Congress how to accomplish it within 8 to 10 years of setting a starting date.

Four questions must be resolved before there can be a serious human Mars proposal, Mr. Goldin said: Can people live and work in space for the two to four years required? Is there a compelling scientific reason for people to go? Can the journey be made for a relatively low cost? Should the United States conduct the mission alone or as part of an international project?

To address these questions, NASA officials said, the agency has been spending \$5 million to \$10 million a year on studies directly related to human exploration beyond Earth orbit.

Much has changed from previous efforts, say Louis Friedman, executive director of the Planetary Society, and other experts. First, the cost estimates for a Mars expedition have dropped sharply in the last few years and should continue to fall as researchers explore new ways of doing things, they say. Recent estimates by NASA engineers put the cost of sending six astronauts to Mars on a two-to-three-year mission at about \$55 billion, only about 10 percent of the projection a decade ago.

Some experts hold that robots are the best way to explore Mars. But Mr. Goldin and others said initial studies may turn up tasks that only humans can do well.



Some of the technology under consideration for Mars likely will be tested on the international space station, construction of which is scheduled to begin in orbit later this year. The 470-ton outpost is to be completed around 2004 by the United States, Russia, the European Space Agency, Canada and Japan.

ONE major change being considered for the space station has an important potential Martian application. NASA has issued a stop-work order on a long-planned habitat module being built by Boeing Co. as a major American contribution to the station and is considering substituting a lighter, inflatable unit called TransHab. The pressurized habitat, one of six prin-

cipal compartments of the station, is to house the living quarters and much of the equipment for American astronauts on the outpost.

NASA officials said they would decide by the end of the year whether to continue work on the original module or to go with the new concept. The cost estimate of either option, to be launched to the station in 2003, is about \$100 million, they said.

"We're designing a space-inflatable habitat that is safer, cheaper and better than anything currently in the works," said Donna Fender, the project manager at NASA's Johnson Space Center in Houston. "We are not designing Mars hardware, but my goal is to provide an inflatable habitat for the space station

that could be used without major redesign to go to Mars."

The TransHab, weighing about five tons empty, would be some 50 percent lighter than the planned Boeing model while providing three times the internal volume. Because of the weight reduction, it can be sent to the station fully equipped instead of being outfitted afterwards, as planned for other station modules, project engineers say. The added space could have multiple uses.

The design calls for surrounding the central living quarters with a water jacket. Water stops the penetration of radioactive particles, such as cosmic rays and ions from solar flares, and a 4-to-6-inch-thick layer would form a radiation "storm cellar" for astronauts that was

not provided for in current plans for the station, Ms. Fender said. Such a radiation shield would be useful on an interplanetary trip or on Mars, which, unlike Earth, has no magnetic field to trap solar radiation above the planet.

Other technology in the works focuses on regenerative life support systems that can recycle wastes while producing oxygen and food for space travelers.

NASA engineers working with the Advanced Life Support Program, also headquartered at the Johnson center, say they have made great strides in developing a bioreactor that uses microbes to clean waste water before it is filtered through a conventional reverse-osmosis purification system.

Don Henninger, head of the life-support program at Johnson, said the program completed a 91-day test in December in which four participants in a sealed chamber proved that such a system was feasible. It allowed recovery of 99 percent of potable water, he said, processing a total of 2,300 gallons from the 210 gallons originally stored.

For the first time in such a test, engineers used an incinerator to recycle fecal waste, recovering carbon dioxide and water vapor used to nourish wheat and lettuce growing in an adjacent chamber. The wheat, in turn, produced 25 percent of the oxygen used by the crew.

The regenerative system has obvious implications for a Mars trip, because it would be expensive and impractical to take along all of the food, water and other consumable items that the crew would need without recycling it, he said.

The program is planning to build a large research unit known as Bio-plex to test the idea of a completely contained, closed system that can sustain a crew for more than a year.

"Our job is to be ready with the technology when it is needed," he said.

SITES

Related sites on the Internet:
• The latest on Mars exploration projects from the NASA Ames Space Science Division is at:
cmex-www.arc.nasa.gov/
• A list of Mars-related links, sponsored by ThinkQuest, is at:
library.advanced.org/11147/pages.htm
• A launch pad to help navigate Mars and the possibilities it offers is at:
www.qsl.net/n1sld/mars/frameset.html

U.S. Cyber-Establishment Bets Chips on 'Internet 2'

Universities Team With Firms and Government

By Robyn Meredith
New York Times Service

NEW YORK — A handful of researchers scattered across the country are rushing to develop a videoconferencing computer program so sophisticated that it will allow executives in four locations to "sit" around a table together, "handling" documents back and forth while they talk.

The virtual meeting is perhaps the most ambitious of many programs now being designed for the next generation of the Internet, an endeavor President Clinton championed in his State of the Union address.

Researchers at more than 100 universities, with the backing of a few companies, are taking the lead in the effort, and their quarterback is Douglas Van Houweling, one of the creators of the original Internet.

Mr. Van Houweling is chief executive and president of the University Corporation for Advanced Internet Development, a nonprofit group that is trying to harness academia, government and industry to put together Internet 2, as the project is called, as well as the programs needed to operate it.

Mr. Van Houweling's plan is to add high-speed lanes to the clogged electronic highway that today's Internet has become. After the universities develop and debug these new lanes over the next two to five years, commercial interests will probably take over, imposing

charges on those using Internet 2's premium services.

Mr. Van Houweling envisions Internet 2 as a way for high-end users to quickly and reliably move huge amounts of data across phone, cable, satellite or other yet-to-be-invented networks. The virtual meeting is just one advance that would be far ahead of current technologies.

"Today's Internet is like a single-lane highway with unlimited access points and no traffic control," said Mr. Van Houweling, who is based in Ann Arbor, Michigan. "There will never be a red light that will come on and say you can't use it. When the traffic gets heavy, things slow down."

Internet 2 will add toll lanes to speed things up.

While the strength of the Internet has been its accessibility, this has become a weakness for those who need to move large amounts of data quickly. There is now no way for them to separate themselves from the rest of the pack, who typically send e-mail.

Allan Weiss, chief executive of Advanced Network & Services, said he hoped the technology would be up and running by 2000 and commercially available by 2003. Companies that want to commercialize the service will most likely need to license the intellectual property rights from the various universities that developed it, he said.

Mr. Van Houweling's organization consists of 117 universities. Each contributes from \$500,000 to more than \$1 million a year to upgrade its campus computers and to help develop programs for Internet 2.

On the business side, about 25 companies have pledged to pay \$10,000 each in annual dues and to provide services. Participants include Cisco Systems Inc. and 3Com Corp., which will be involved in designing advanced switches and routers for the system; IBM Corp., which plans to give \$3.5 million in grants; telecommunications giants MCI Communications Corp., AT&T Corp. and Sprint Corp.; and Starburst, an independent software vendor.

Public and private research centers



Douglas Van Houweling, a creator of the Internet, aims to speed it up.

like the National Institutes of Health and IBM's Watson Laboratory may become members of University Corp., which is also holding talks with Microsoft Corp. about joining.

The main government component in developing Internet 2 is the Very-High-Performance Backbone Network Service. The network links supercomputers and other computer banks across the United States and is managed by MCI and financed by the National Science Foundation.

"This is a good example of the kind of partnership between industry, universities and government," said Vinton Cerf, senior vice president of Internet architecture and engineering at MCI.

By working closely on developing the new technology, the thinking goes, the corporate participants can help to ensure that it will have commercial applications. That is one difference between the development of Internet 2 and the current Internet, which evolved slowly from its specialized military and research roots.

"We're starting off this time with an

even more determined effort to work with the major companies in the industry," Mr. Van Houweling said. "The applications are the focus of what we do — we don't want to build a highway for some kind of vehicles that will never arrive."

Mr. Cerf conceded that it was impossible to know how many of the projects of Mr. Van Houweling's group would make it to commercial use. Still, he is optimistic. "The more people who are out there exploring the technology, the faster we will discover the good stuff," he said.

Internet 2 is already expected to be capable of advanced data mining — combining information in several databases around the country to analyze files and find patterns.

The broad commercial use of Internet 2 is at least four years away, those involved in the project say. And after Internet 2 is up and running, the next task is clear.

"Five years from now, we'll be talking about Internet 3," Mr. Van Houweling said.

ALT/Commentary

The Writing on the Wall Says Writing Won't Last

Why Bother if Software Can Do the Work?

By Richard Reeves
Universal Press Syndicate

LOS ANGELES — An Internet advertisement caught my eye the other day, publicizing software called "Voice E-mail" — \$29.95 if you "Click Now!"

I saw the future and it talks. It wanted to talk to me. It wanted to replace writing, which I took as replacing me. This is what it said:

"While most computer users type an average of 20-30 words per minute, and while most professional typists average 60-80 words per minute, human speech averages 200-250 words per minute."

"There is no need for editing," the ad went on, "no need for spelling, no need for grammar or punctuation checking!"

So much for me — or for what I know how to do.

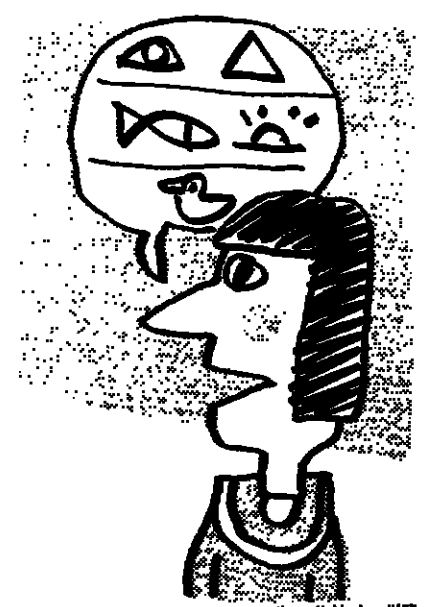
I should be used to it by now. I graduated from college as a slide-rule, vacuum-tube engineer. Within a few years, Texas Instruments was selling everything I knew for about \$10 — I was replaced by a pocket calculator.

Then I went to work for newspapers, and two of them, the Newark Evening News and The New York Herald Tribune, folded out from under me.

But I had learned to write. You could always get work if you were good at editing, spelling, grammar, punctuation. Now are they going to sell everything I know again? I think so. At least the fundamentals will go for about \$29.95.

In the electronic communication business, as in any fast-growing commerce, the search is on for "the next big thing." Smart people were once sure that picture-phones — it seemed so logical to combine telephones and television — but it turned out most of us don't want to be seen in the privacy of our own homes.

I may be just as wrong as futurists usually are, but I do think the big think



moving out there is the inevitable decline of the written word and the rise of little speakers in home, office, car and pocket.

Why write when you can talk? Most people think writing is difficult, even torture, and they have no patience or time for reading. The same folks love to talk and listen.

Well, the hardware exists, and software is being developed, to make it possible to function by directing streams of verbal consciousness at computers inside refrigerators, televisions, stores, dashboards, school desks and flush toilets — accepting and sending audible directions and information in any language.

IF THERE are languages, I'm joking, but I see troubling portents in Windows 95, Microsoft's pictographic — and, therefore, universal — language, using icons and mouses rather than letters and key-striking.

I could be wrong about how long it might take to change the world. Creating the software making such things possible is labor-intensive, takes a lot of man-hours, so programs lag hardware capability — and the government, you and I lag hardware.

Keeping up is difficult even for the men and women who spend all their time pushing the envelope of technology.

But, along with Microsoft Corp., companies as serious as IBM and Lucent Technologies Inc. appear to be pushing forward.

Even writers are in on this. Don Katz, whose books include "Home Fires" and "The Big Store," gave up typing for money to build a company called Audible Inc., which has just introduced a pocket-sized, 3.5-ounce gizmo that loads itself with sound from the Internet, from audio-books and from anything else that makes noise — in effect, giving anyone out there a chance to program a personal mobile radio station.

Mr. Katz, the new tycoon, says building a company from an idea makes writing seem relaxing.

I don't doubt that, but talking and listening are a lot easier than either commerce or art — and given a choice, most people opt for convenience. The ongoing history of our times has been the drive to make life easier and easier for most of the people most of the time.

BRIEFLY

• **CLEANING WITH RADAR:** The Swedish appliance giant Electrolux AB has unveiled a prototype of a robot vacuum cleaner, designed to ease the load of housework-haters around the world.

The robot vacuum cleaner is a smooth round disk with wheels, with built-in navigational radar that allows it to vacuum its way around any room without bumping into furniture or other obstacles. When placed on the ground, the battery-operated vacuum cleaner automatically starts cleaning without any human help.

Its radar first finds the nearest wall and vacuums around the edge of the room. It then cleans the rest of the room in irregular stretches, slowing down when it approaches an obstacle and steering out of the way with a micro-processor.

Electrolux, which began making vacuum cleaners in 1909 and now makes about 20 percent of all those sold in the world, said there were no immediate plans for production. Tests are being carried out to determine consumer and commercial viability.

The unique thing about this robot is that we have made a breakthrough when

it comes to cost and production. It is fully possible to manufacture," said Michael Treschow, the chief executive.

Electrolux has already developed a prototype solar-powered robot lawnmower, sold under the brand name Husqvarna.

• **PC CRASH ALERT:** A five-year streak of robust growth in Japan's personal-computer market is set to come to a halt as the sluggish economy has hit buying by both companies and consumers, a trade group said this week.

The Japan Electronic Industry Development Association, a group of 23 major PC makers operating in Japan, said domestic shipments of PCs in the year ending March 31 would fall for the first time in five years.

About 6.7 million units in the 1997-98 business year, short of the target of 7.5 million it announced in November and down 6.8 percent from 1996-97.

The November forecast had already been cut from a forecast last spring of 8.8 million units as sales steadily slumped.

PC shipments in the fourth quarter of

1997 fell 7 percent from a year earlier, their second consecutive quarterly decline, the group said.

• **ON-LINE CONTINENT:** AOL Bertelsmann Online Europe GmbH expects to have more than 2 million customers by July, challenging Deutsche Telekom AG as Europe's leading provider of on-line information services.

The joint venture of America Online Inc. and the German media company Bertelsmann AG has seen its membership reach 950,000 since it began operating in Europe in November 1995. The purchase this week of Compuserve Corp.'s European operations almost doubles AOL Bertelsmann's subscriber base to 1.8 million, putting it second to Deutsche Telekom's T-Online and its 1.9 million subscribers.

• **WEB-JACKING:** The recent attention being paid to Matt Drudge, publisher of the Drudge Report, an on-line gossip sheet covering the Monica Lewinsky case, has meant that his Web site (www.drudgereport.com) has become one of the most popular information destinations on the Internet, often making it difficult to get on to the site. But if

users type that same Web address as drudgereport.com (note the missing letter "d"), they will end up in a site that has little to do with Drudge or Washington. They will be transported to the cyberhome of a bank in Latvia, which is capitalizing on Mr. Drudge's notoriety to pull Web traffic its way.

Paritatie Bank, which is based in Riga and bills itself as an offshore on-line bank, uses the Internet aggressively to draw new business — and in doing so has registered a variety of domain names.

In addition to the obvious addresses, such as www.paritatie.lv and www.paritatie.com, it has laid claim to www.anonymousbanking.com and www.offshore-account.com. It has also registered dozens of marquee brand names or variations thereof. The variations run the gamut from bloomberg.com to warnerbrother.com.

Most of these sites have been registered since the beginning of this year, with the help of a company based in Dublin named Martindale Marketing.

"We believe these sites help drive general traffic to our site, and even if a visitor was not looking for bank facilities in Latvia, he might remember us

and come back," said Alexander Ruchkovsky, Internet project manager for Paritatie, who estimated that 30 percent of new accounts came through the bank's Web site.

• **THE SMALL PICTURE:** Fuji Photo Film Co. will introduce the world's smallest and lightest megapixel digital camera in Japan on March 4.

The camera is equipped with a 1.5 million pixel "charged-coupled device" sensor, the company said. Such a device is equivalent to film in analog cameras; a CCD sensor takes in light and color information from an image and transforms it into digital information. Digital cameras for consumer use normally have CCD sensors with about 300,000 pixels, while high-end models used by professional photographers can have more than 2 million pixels.

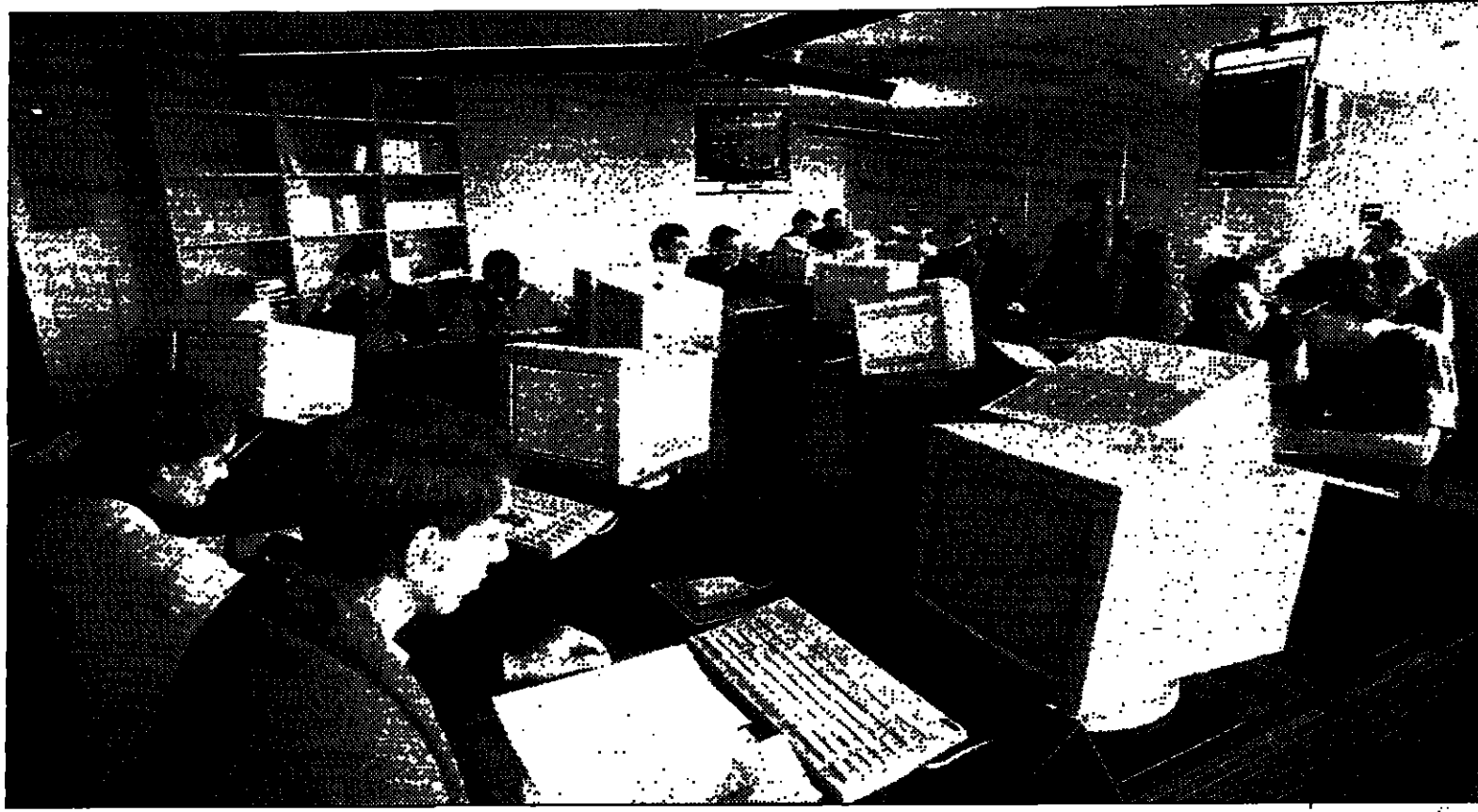
The camera, which weighs about 245 grams (8.6 ounces), will sell at retail for 99,800 yen (\$790), the company said. A spokesman said Fuji planned to start exporting it in April.

The company aims to sell 250,000 of the cameras in Japan during the first year of sales, the spokesman said.

(Reuters)

CÔTE D'AZUR: WHERE MULTIMEDIA FLOURISHES

The Côte d'Azur has long been favored by creative artists. The impressionists were drawn by the purity of its light. The world of film, television and advertising comes to shoot on location and attend industry events like the Cannes Film Festival. Companies and individuals working in a more recently developed form of art and communication, multimedia, also appreciate the sophisticated telecom networks and the technical and creative expertise for which the Côte d'Azur has built a solid reputation.



ATTRACTING THE RIGHT BRAINS FOR MULTIMEDIA EXCELLENCE

Creativity is an essential quality for developing both content and hardware.

What is the Côte d'Azur's recipe for a successful multimedia environment? Start with an inviting and accessible location, add the essential infrastructure, stir in a blend of workforce talent, university brains and community willpower, and voilà.

The creative arts have had an ongoing relationship with the Côte d'Azur. Since the 19th century, the French Riviera has been a *terre des artistes*, attracting painters drawn by its visual beauty and the remarkable purity of its light.

Creative talents from the entertainment and advert-

ising industries appreciate other attractions of Southern France: an international airport and a sophisticated and reliable communications infrastructure. The region is recognized as a *terre de tournage*, with a remarkable variety of scenic locations for shooting film or video.

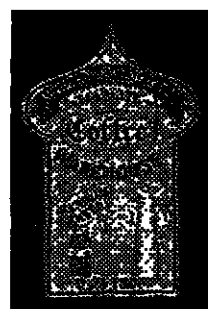
Multimedia is a new player in both the entertainment industries and the merging fields of information and communications technology. The term refers to "sound, data and/or visual content delivered over digitalized media platforms," according to the Organization for Economic Cooperation and Development's definition.

The Côte d'Azur's recognized strengths in information and communications technology are reinforcing the region's growing reputation as an incubator for multimedia activity. Requisites are access to large and sophisticated databases, high-speed networks and both technical and creative expertise for content.

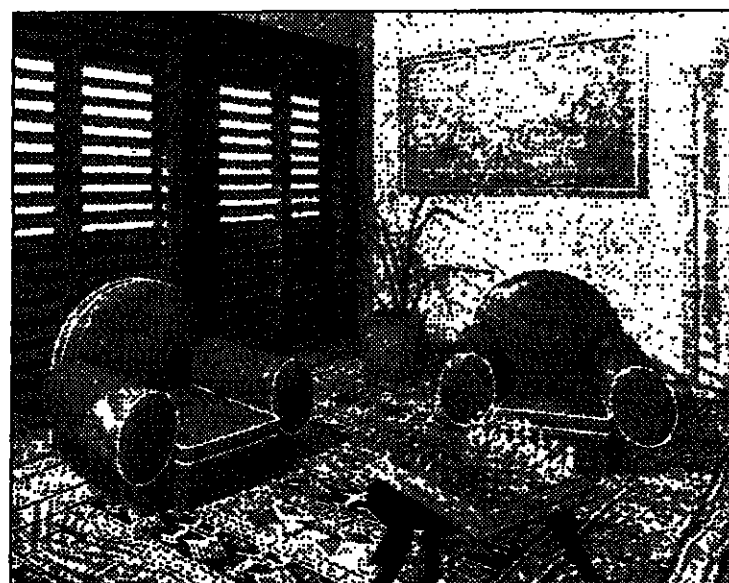
The necessary ingredients
The French Riviera has all of these. Companies like Amadeus, SITA, Questel Orbit, Oracle and others have or provide access to databases. Some of the leading companies in information and communications technology have research facilities here: AT&T Corp., Digital Equipment Corp. and International Business Machines Corp., among others. The University of Nice-Sophia Antipolis hosts a multitude of research projects and specialized programs, and it is flanked by a variety of high-level institutes focusing on multimedia.

France's first approved ATM (Asynchronous Transfer Mode) platform, created by France Telecom, is located here. A two-year project will test applications for this high-speed telecommunications network capable of transmitting 155 megabits per second.

More than 100 multimedia-specific companies are located in the area, covering a range of activities from the production of multimedia



Top: Students at CERAM, which offers a master's degree in databases and systems integration with a multimedia option. Above and right: Images from a Web site and CD-ROM about coffee by the company ROM.



equipment to the development of information content, distribution, CD-ROM production, creation of Web sites and other services. They are reinforced by an educational and association infrastructure that encourages interactivity at all levels.

A focus on customers
"Companies are changing. They are more concerned with content and customers than ever before," observes Jean-Pierre Mascarelli, president of Côte d'Azur Développement and vice president of the Alpes-Maritimes local council. "And the nature of our region favors the open exchange of communication essential to the information society."

More than half of the multimedia enterprises on the French Riviera have been created since 1991, and more than three-fourths of them are independent startups.

"Today's companies are small and flexible," says Mr. Mascarelli. "They want to rent, not buy. They are mo-

bile, which means they can decide to move here rather quickly, but it means they can decide to move away quickly as well. So we have to give them reasons to stay."

The reasons are what constitutes the region's recipe for success. "Our key points are often described as our reputation, our attractiveness as a site and our international airport," says Mr. Mascarelli, "but these are a given. All economic develop-

ment regions have got to promise these things. Our unique advantages are our creativity and the quality and content of our offer, including service, a multicultural environment, and a high quality of life."

"Those working in multimedia will feel especially at home here," summarizes Mr. Mascarelli, "because artists and creativity have a long-standing tradition on the Côte d'Azur."

A VIBRANT INTELLECTUAL COMMUNITY

Multimedia development is not isolated in a science park but integrated into the life of local citizens.

On the Côte d'Azur, multimedia development is not isolated in a science park but integrated into community life. Scientific pursuits and local citizens are interconnected in a variety of ways.

Interconnectivity begins with Nice Airport, the second-busiest in France. The airport recently received funding from the Provence-Alpes-Maritimes-Côte d'Azur regional commission for a \$10 million expansion over the next two years. Its appeal for business travelers lies not only in its international connections, but also its convenient in-town location. Mikko Kiukkainen, director of European sales for Starburst Communications, observes, "I travel a lot in my job, and I know that some European airports have more direct international flights. But you lose that advantage by the time it takes to get to the airport itself, like Paris or Heathrow."

Local subscribers to Televiviera, an experimental cable service in Nice, are already enjoying the fruits of multimedia advances. They have unlimited access to the Internet at 50 times the speed of an ordinary phone connection, services like local traffic, film and CD-ROM previews, and eventually television access to 35 digital channels and 30 analog ones, all for 150 French francs per month. A survey last November revealed that subscribers connect to the service twice a day and stay on for more than an hour. Cannes has a similar initiative in the works.

Since December 1996, a different sort of program has been running at the Nice Chamber of Commerce with the financial support of the Alpes-Maritimes local council. The Côte d'Azur Resource Center is an interactive presentation geared to professional delegations, journalists and potential investors. Rich in economic and touristic details and color images, it provides a virtual visit to the sites and attractions of the region. More than 2,000 visitors viewed it in its first year, and it contributed to helping a number of them in making their investment decisions.

MEDSAT's purview is broader: It was created in 1996 to promote the development of the information highway in Europe and the Mediterranean region. It focuses on collaborative cultural, educational and medical projects through multimedia initiatives.

The World Trade Center in Sophia

Antipolis, which opened its doors in 1997, has a special interest in welcoming multimedia and other high-tech companies to its modern office facilities, which include on-line services and links to 500,000 businesses worldwide. The director of the WTC, Joseph Ottow, says that "it aims to become a physical and virtual campus which attracts the best minds that develop the future of our networked society. It provides an optimal environment in order to foster synergy and creativity within the local multimedia world."

The International Center for Advanced Communications (CICA) in Sophia Antipolis is an incubator for innovative enterprises specializing in computer-generated images, CD-ROMs and language adaptation, among others. Some two-thirds of CICA's 50

current occupants are startups, with a success rate of 98 percent.

Network options in the region include R3T2, the regional telecommunications network dedicated to research and technology, and RENATER, the national network for teaching and research.

Advanced transportation and communications infrastructure means little without the talent to take advantage of them, however, to develop multimedia products of added value, added-value intelligence is needed.

The intellectual and academic resources on the Côte d'Azur prove that brains add value to the region's natural beauty. For example, the 27,000 students at the University of Nice-Sophia Antipolis (UNSA) have a choice of 200 specialized research centers and countless opportunities to pursue multimedia projects with local companies.

Serge Miranda, a professor at UNSA, developed a joint program with the

grande école CERAM that offers a master's degree in databases and systems integration, with a multimedia option. Professor Miranda is also the scientific director of ISBA Multimedia Institute, which groups together a number of initiatives in information exchange, industry involvement and distance learning.

ESSI (Ecole Supérieure en Sciences Informatiques) is an engineering school at UNSA specializing in computer science. Its 80 graduates each year may choose to specialize in multimedia or in distributed systems, and all have practical experience through internships with local companies.

ISIA (Institut Supérieur d'Informatique et d'Automatique) is a special engineering branch of the Ecole des Mines de Paris, created jointly with two grande écoles of commerce and engineering: the Ecole Nationale des Ponts et Chaussées and the Ecole Nationale Supérieure des Télécommunications. Students, who must have an engineering diploma to apply, attend classes for one year and serve a one-year internship, with multimedia among the options.

Eurécum is another educational joint venture involving France's Ecole Supérieure Nationale des Télécommunications and the Swiss-based Ecole Polytechnique de Lausanne. Its multimedia communications department trains engineers in all areas of multimedia. Director Claude Gueguen describes the school's mission as "the three I's: international, industry and integration of systems," with the goal of "taking technology off the shelf and making it work for the user."

Theseus Institute, a Sophia Antipolis-based international management school, has a similarly pragmatic bent. "Our graduates learn about the implications of technology for executive management, not for wiring circuits," says director Ahmet Aykac.

The Boston-based World Wide Web Consortium located its European operations in Sophia Antipolis. It is not the same sort of standards-based group as its science park neighbor, the European Telecommunications Standards Institute, but organizations like these and the nearby National Institute for Intellectual Property enhance the area's intellectual infrastructure and enrich its community life.

FOR MORE INFORMATION OR ASSISTANCE

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CAD (French and English): www.cad.fr

CAD (Japanese): www.cad-cote-azur.or.jp

CAD business and news: www.cad.fr/english/news.html

Sophia Antipolis: www.sae-sophia-antipolis.fr

University of Nice, Sophia Antipolis: www.unice.fr

Provence-Alpes-Côte d'Azur region: www.crpaca.fr

Telecom Valley: www.telecom-valley.fr

Club Hi-Tech: www.hitech-azur.asso.fr

Club MITSA: www.mitsa.asso.fr

Club EuroSud 155: www.eurosud155.fr/es155

IMeT: www.eurosud155.fr/imet

FAST-MOVING STARTUPS BRING ENERGY AND INNOVATIONS TO THE LOCAL SCENE

Foreign-born or local, newborn or with years of experience, a spate of small, fast-moving companies are contributing to the multimedia explosion on the Côte d'Azur.

One of the relative old-timers is ROM, founded by Dominique Lucchini in 1988. He was living in the area and wanted to develop a CD-ROM-based business here because "I love this region. It is a place beloved of artists and painters." In fact, his earliest projects were CDs about local cultural riches, such as the Foundation Maeght, the village of Vence and the villa of Kerylos. More recently, ROM has moved into Web-site development and has just produced a Web-site spin-off from its CD-ROM about coffee. Mr. Lucchini believes it is "the richest on the Web."

Esprit Concept was created in Sophia Antipolis in 1989, a spin-off from work being done at nearby Aérospatiale. The company specializes in architecture and integration for technical information systems, so it is no surprise that it works closely with the grande école CERAM, which has developed a specialization in database management. "We settled in Sophia Antipolis because the international dimension and the ATM platform interested us," says Director André Labat, adding, "We benefit from close relations with the university."

Another local startup is Vinci Media, founded in 1994 by Thierry Maman. The company produces television programming and handles the multimedia needs of a number of clients in the health-care field. Mr. Maman subsequently moved the company's

headquarters to Paris ("for commercial reasons") but the technical staff and most of his executives remain in Nice.

Only 16 months old, locally founded ECHO first made its name reverberate with a French-based search engine that many consider the best of its kind on the Francophone Web. Michael Bisac, ECHO's commercial director, describes the company's mission as the development of innovative, effective and reliable applications for the Internet and intranets. This mission is facilitated by the company's choice of headquarters at the International Center for Advanced Communications (CICA), an incubator for startups located in Sophia Antipolis.

A newer CICA fledgling, born in 1997, is DUST, which focuses on innovative ways of processing and restoring motion pictures. Their work requires "experienced people with backgrounds in motion pictures, video, data processing and labs," explains Marc Chancelier, vice president of business development. "We found very skilled people presenting this profile" in the region, he says.

Live Picture took a more roundabout route to the French Riviera. The company, which specializes in software for

multimedia images, originated in Toulouse, then moved to Silicon Valley, then decided to set up a European base of operations. "We chose Sophia Antipolis for the airport, the number of multimedia companies here, the educational institutions and the atmosphere," explains Nicolas Romantsoff, Live Picture's director. "Even the bookstores here are well-equipped in our specialty."

Mikko Kiukkainen, director of European sales for Starburst Communications, had been working on the Côte d'Azur for five years when Starburst, which has headquarters in the United States, asked him to set up its European operation in 1997. "I didn't hesitate," he says. "I was already here and knew the advantages: the telecommunications infrastructure, the cosmopolitan work force, the international atmosphere, the airport."

Starburst specializes in electronic information delivery via multicast network solutions. Multicasting enables a server to send information — such as software files, real-time audio and video, and continuous streams of messages such as market data and news feeds — from one source simultaneously to any number of clients.

"CÔTE D'AZUR: WHERE MULTIMEDIA FLOURISHES" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Côte d'Azur Développement. Writer: Claudia Flisi in the South of France. PROGRAM DIRECTOR: Bill Mahler.

...er Than the Speed of ...
...the Fastest Chip i...
...BM vs. Digital: ...
...the Fastest Chip i...
...IN GLOBAL...
...As a multimedia ...
...and independent ...
...delivering ...
...know the ...
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...specialisation ...
...we promise ...
...Europe ...

TribTech

Home Electrical Wires Could Plug In More Net Users

By Ashley Dunn
New York Times Service

The shape of the Internet has been almost entirely defined by a web of wires that were laid long before most people heard of the World Wide Web.

Telephone wire, coaxial cable and, more recently, satellites and wireless have come together to create an image of an electronic cocoon, swaddling the world in a warm wrap of copper, fiber and signal.

What has been strangely left out of the picture of the Internet's structure is another vast web of wires, perhaps the most complete set in existence — the lowly electric lines that carry power to homes.

Electric wires are not an obvious candidate for data transmission. But there is nothing intrinsically wrong with them as data carriers. They are, after all, strands of copper, just like phone lines.

Unfortunately, electrical lines are also unshielded and thus pick up stray noise, such as an antennae from a variety of sources, including television, radio and appliances. It is a problem, but not a fatal one. There is still plenty of spectrum at higher frequencies to carry data.

Late last year, Northern Telecom Ltd. and Norweb Communications Ltd., a division of United Utilities of Britain, unveiled a technology to use this forgotten web of wires to connect consumers to the Internet at transmission rates of over 1 megabit per second.

Norweb has just launched a test by connecting a small group of computers at a school in Manchester, England.

They have stated that the cost to users will be less than standard connections, since the utilities would have to spend far less to deploy the network.

The system, called PowerLine, essentially works as a large local area network. Users install a standard Ethernet card in the computers and connect the card to a small device that converts the data for transmission over the power lines.

The information is routed over the power lines until it reaches a server located at a substation.

The key element of the system is a protocol to screen data from electrical noise on the host power line. Besides the speed of PowerLine, its main advantage is that it is potentially cheaper than any other form of Net access because the infrastructure is already in place.

Unfortunately, there is a serious problem in deploying PowerLine in the United States, which has a somewhat different architecture to its power system. In many parts of Europe, the connection between a home and a substation is a simple low-power line with no other equipment in between. One substation



Children in Britain surfing the Web using the new 'electrical' technology.

could serve hundreds of homes.

But in the United States a different system evolved. Since the earliest days of electrical power, U.S. companies ran high-power, distribution lines into neighborhoods and then routed those into transformers, which stepped down the voltage. The power was then sent into small groups of homes, typically less than a dozen.

The system made good sense considering that when electricity was first being installed much of the country was rural. Since high-voltage lines lose less power over distance, it was much cheaper to use transformers connected to short runs of low-power lines, commonly known as secondary service lines.

These transformers, however, create enormous problems for Norweb's data system. In essence, they wreak havoc on any signal and must be bypassed somehow for the system to work.

Norweb and Norweb have been somewhat sketchy on their plans to deal with this problem, but it seems certain that any solution they come up with will erode some of the cost advantage they had hoped for in the United States.

On a less ambitious scale, a Utah-based company named Intelogis is testing a system that would allow U.S. users to create a local area network using their home wiring as cabling.

The Intelogis PassPort is a small device that plugs into a computer or printer through their parallel ports. The PassPort, which can only be used now

The digital ones and zeros are encoded as slight shifts in the frequency.

With the PassPort, users will be able to play games and share files, printers and even modems with other computers connected to the network.

There is essentially no limit to the number of computers that can be networked, although each new computer will soak up a little bit more of the available bandwidth.

The PassPort system is a lot slower than the maximum 10 megabits per second of standard Ethernet and the 100 megabits per second of Fast Ethernet.

But what you get in exchange is a system that, in theory, is so simple to install even a child could do it. Once the network is set up, you can move your computer by simply plugging the PassPort into the closest wall socket.

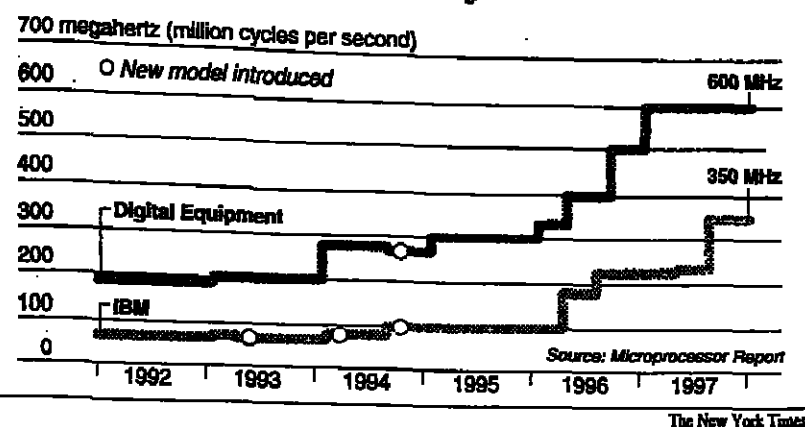
Compare that to the usual crawl-beneath-the-house-and-punch-huge-holes-in-the-wall technique of regular Ethernet installations.

For most home and small office uses, the transmission rate of the PassPort will pose no problem. It is more than enough to transfer a few files, surf the Web, and play computer games.

The PassPort system will cost \$49 for a printer adapter and \$99 for each computer adapter.

Faster Than the Speed of...

IBM and Digital Equipment have been developing ever faster chips pushing toward one gigahertz, or 1,000 megahertz.



Source: Microprocessor Report

The New York Times

IBM vs. Digital: Who Has The Fastest Chip in Town?

By John Markoff
New York Times Service

SAN FRANCISCO — The surging power of the microprocessor is approaching another milestone.

Both International Business Machines Corp. and Digital Equipment Corp. are presenting technical papers this week at a conference here describing experimental chips that operate at more than 1 billion cycles a second — or three times the speed of today's most powerful personal-computer chips.

Though the chips will not be commercially available until after 2000, the race to the so-called gigahertz — or 1,000 megahertz — speed has touched off a battle for bragging rights between the two computer giants, with each claiming the title of developer of the world's fastest general-purpose computing chip.

While the actual announcements will be made in the form of technical papers at the International Solid State Circuits Conference, which began in San Francisco on Wednesday, that did not prevent Digital from issuing a press release Monday that said it was introducing a new family of chips called the Alpha 21264 that will break the gigahertz speed barrier — though not until 2000. That notice, two years before the chips are to be available, caused IBM officials to complain that Digital got its word out after it had learned that IBM had been preparing to announce its prototype version of a partly working version of a 1,000-megahertz chip that is running in a laboratory.

Digital, which agreed last week to be acquired by Compaq Computer Corp., is racing against IBM, the MIPS unit of Silicon Graphics Inc. and Sun Mi-

crosystems Inc. to stay ahead of the increasingly powerful Intel Pentium microprocessor chips, which recently reached speeds of 333 megahertz.

For its part, Intel, at another technical conference last fall, already provided word of the chip that it hopes will be the successor to the Pentium. Designed with researchers at Hewlett-Packard Co., this chip, called the Merced, is also supposed to be faster than 1,000 megahertz.

IBM researchers were to announce that they had achieved a working version of a chip with the core functions of a PowerPC microprocessor operating at 1,000 megahertz. The announcement is particularly striking, specialists said, because the researchers have reached the 1,000-megahertz mark with consumption of power that matches that of today's conventional microprocessors.

By contrast, other high-speed microprocessors, such as Digital's Alpha, draw more power and consequently run much hotter, making it potentially less practical for consumer applications. The new IBM chip, which was nicknamed GUTS by the team of 15 IBM engineers that designed it at an IBM research laboratory in Austin, Texas, draws only 6.3 watts of power, far less than the Alpha chip.

IBM's design feat was achieved by the careful placement of individual transistors on the chip, thereby painstakingly reducing the length of the wires that connect the transistors. Longer connections between components on a chip tend to slow execution speeds and generate excess heat. "There are no cooling tricks in our microprocessor," said Randy Isaac, an IBM vice president for systems technology and science. "This runs at standard room temperature."

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange Technology	313.40	+4.80	+7.86
Standard & Poor's Technology Composite	780.84	+1.18	+11.56
Europe			
Morgan Stanley Eurotec	436.54	+4.26	+13.33
Asia			
Topix Electric	1793.33	+2.19	+9.07

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- AirTouch Tries Again to Buy a US West Unit, Jan. 30
- Ericsson Says Profit Survived Asia Crisis, Jan. 30
- Europeans Adopt Mobile-Phone Standard, Jan. 30
- Canon Sales Buys Right to Sell Compaq PCs, Jan. 31
- Chrysler Revs Up for On-Line Boom, Feb. 2
- 'Girlish' Computer Games Growing Up, Feb. 3
- Apple Phasing Out Sales at 5 Chains, Leaving CompUSA as National Retailer, Feb. 3
- Gates Says Anthrax Suit Won't Affect the Way Microsoft Conducts Business, Feb. 3
- Microsoft Wins Legal Skirmish, Feb. 4
- Mitsubishi Warns of Big Loss Over Chips, Feb. 4

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihl.com.

International Herald Tribune



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12 Month		Stock	5th		Lowest price	Change
High	Low		Div	Yld		

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'I'm afraid you must have me mixed up with someone else,' the new arrival beamed back, for this was his very first visit to the famous hotel. 'Not at all, sir. I'd recognise you anywhere,' the Concierge replied. Moreover, as the gentleman made his way to his suite he found himself greeted by Bell Hops and Chambermaids alike as if he were a cherished friend. 'Happy Birthday!' they called cheerily, always greeting him by name. But try as he might he could not fathom how they knew him. Until that is, he reached the Batavia Suite. Where met with birthday kisses from his lovely wife, he at last understood. For at her request, large photographs of his five year old self had been fetchingly displayed on every polished surface.



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12 Month		Stock	Div	Yld	PE	Sts		Low	Latest	Chg
High	Low					100s	High			

[illegible]

TICKER	12 Month		Stock	Div	Yld	PE	52w High		Low	Latest Cl
	High	Low								

1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	
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1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979																																																																																																																																																																																																																																																																																																																																																																																																																																																												

284	134	int Colly	.12	3	23	284	754	254	254
294	214	int HF-ds n				934	264	264	264
324	174	int Mut	.80	31	76	286	254	254	254
61	384	int Pm	1.00	31		134	484	484	484

姓名	年齡	籍貫	學歷	職業	住址	電話
王德勝	35	廣東	中學	商人	上海	1234
李德勝	32	廣東	中學	商人	上海	1235
張德勝	30	廣東	中學	商人	上海	1236
趙德勝	28	廣東	中學	商人	上海	1237
周德勝	25	廣東	中學	商人	上海	1238
吳德勝	22	廣東	中學	商人	上海	1239
孫德勝	20	廣東	中學	商人	上海	1240
陳德勝	18	廣東	中學	商人	上海	1241
林德勝	15	廣東	中學	商人	上海	1242
黃德勝	12	廣東	中學	商人	上海	1243
周德勝	10	廣東	中學	商人	上海	1244
吳德勝	8	廣東	中學	商人	上海	1245
孫德勝	6	廣東	中學	商人	上海	1246
陳德勝	4	廣東	中學	商人	上海	1247
林德勝	2	廣東	中學	商人	上海	1248
黃德勝	1	廣東	中學	商人	上海	1249
周德勝	0	廣東	中學	商人	上海	1250

78	60	Mobile	2.281	3.2	1813635	71%	70%	70%
24%	12%	Mohawk	-	21	389	24%	24%	24%
14%	6%	Mobile	-	-	463	7%	7%	7%

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	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CURRENT

Dollar Values

New Rates

Continued on Page 18

هکذا من الاول

New Rules Ease Way for Some Foreign Offers

See KOREA, Page 19

Brokerage Told Ministry It Hid Client Losses

Callin Tallies 200% Price Cuts

The president of the German association of the unemployed, Klaus Grehn, said Wednesday that the length of the standard working week should be reduced to 28 hours to help create jobs.

people. Says Muktesh Jain, managing director of Reebok India.

and you will see who is who.

made himself bore any responsibility for the failure to detect the hidden losses at Yamaichi. "Yamaichi notified us

in connection with the arrest last month of a former police detective on charges of accepting bribes from Daiwa Securities Co., the Asahi newspaper said.

Thursday, and the DGB trade union Wednesday the figures would show a people were without jobs last month. The German association of the unemployed said Wednesday that the length of the

Frankfurt	1.51 63	2.977	—	0.264	0.101	0.074
London (ad)	1.6529	—	2.986	10.0125	2.951.34	3.3586
Madrid	151.595	253.523	84.746	25.296	9.584*	75.184
München	1.779.28	2.952.54	487.30	294.59	—	875.90
New York (h)	—	1.655.07	1.90	6.057	1.779.00	3.029
Paris	6.0739	18.026	1.3515	—	0.2395*	2.9723
Tokio	725.75	206.51	67.34	20.67	8.783	62.91

Feb. 4					Libid-Libor R	
B.F.	S.F.	Yen	G\$	Pounds		Dollar
4435	1.3778	1.6427	1.607	1.33		
—	25.6575	0.3905	26.30	24.3525	1-month	5 1/4 - 5 1/2
4436	1.261	1.6539	1.252	1.1801	3-month	5 1/2 - 5 3/4

Mark	Swiss Franc	Sterling	French Franc	Yes	ECU
3% - 3 1/2%	1 1/2% - 1 1/4%	7 1/4% - 7 1/2%	3 1/4% - 3 1/2%	2 1/2% - 2 1/4%	4 1/2% - 4 1/4%
3 1/2% - 3 3/4%	1 1/4% - 1 1/2%	7 1/2% - 7 3/4%	3 1/2% - 3 3/4%	2 1/4% - 2 1/2%	4 1/4% - 4 1/2%

believed that Germany managed to keep its deficit last year at 3.0 percent of gross national product or lower, the most critical criteria for monetary union.

Mr. Kohl vowed Wednesday to avoid

Prices in Amsterdam, London, Milan, Paris and Zurich, fairs at other centers near track in A. Pak, and Toronto rates of 3 P.M.

a: To buy one pound: b: To buy one dollar *Units of 100; N.A.: not available.

Other Dollar Values

	Par \$	Current	Par \$	Current	Par \$	Current	Par \$	Current
Argent. peso	1.2999	1.2999	Greek drac.	204.73	Italy, peso	8.395	S. Afr. rand	4.927
Andros \$	1.6819	1.6819	Hong Kong	7.7539	N. Zealand \$	1.712	S. Kor. won	100.0
Brazil real	1.0341	1.0341	India Rupee	207.86	Norw. krone	2.5336	Sw. krona	4.6599
Chinese yuan	1.1231	1.1231	Indon. rupiah	166.00	Pak. rupee	2.53	Thai baht	21.936
Czech crown	1.8131	1.8131	Irish £	0.7198	Peru. escudo	185.28	Turkish lira	47.55
Danish krona	1.4993	1.4993	Israel sheq.	3.5857	Roma. liras	4.03	U.S. dollar	3.071
Egypt, pound	6.5025	6.5025	Swed. rickd.	3.00	Venez. bol.	511.25		
Finn. markka	5.4715	5.4715	Money rate	4.0097	Yug. dinar	1.4872		

Forward Rates

	30-day	60-day	90-day	Current	30-day	60-day	90-day
Germany	1.6475	1.6450	1.6425	Japanese yen	174.15	123.51	123.99
Swiss Sterling	1.4625	1.4616	1.4610	Swiss franc	1.4811	1.4656	1.4605
Canadian dollar	1.4625	1.4616	1.4610				
Deutsche mark	1.8105	1.8075	1.8050				

Sources: ING Bank (Amsterdam); Citic Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Bank of Montreal (Montreal). Other data from the Associated Press, Bloomberg and Reuters.

Compiled by Our Staff From Dispatches

MUNICH — Siemens AG said Wednesday it was negotiating with trade unions to cut salaries of about 20,000 technical staff in Germany by 20 percent to try to improve its competitiveness.

"The objective is to agree on an annex to the pay agreement to bring it more in line with arrangements for small companies, to allow Siemens to be more competitive and reduce its costs," Martin Siebert, a company spokesman, said.

He said he did not know how long negotiations would take. Siemens employs 192,000 people in Germany and follows agreements set by the electrical engineering industry.

Mr. Siebert said the company's competitors had an advantage in the assembly, installation and maintenance of industrial installations "because they do not have to respect any overall pay structure or else are aligned with the labor union's ideological premises."

He added, "They also have more flexibility in terms of working hours."

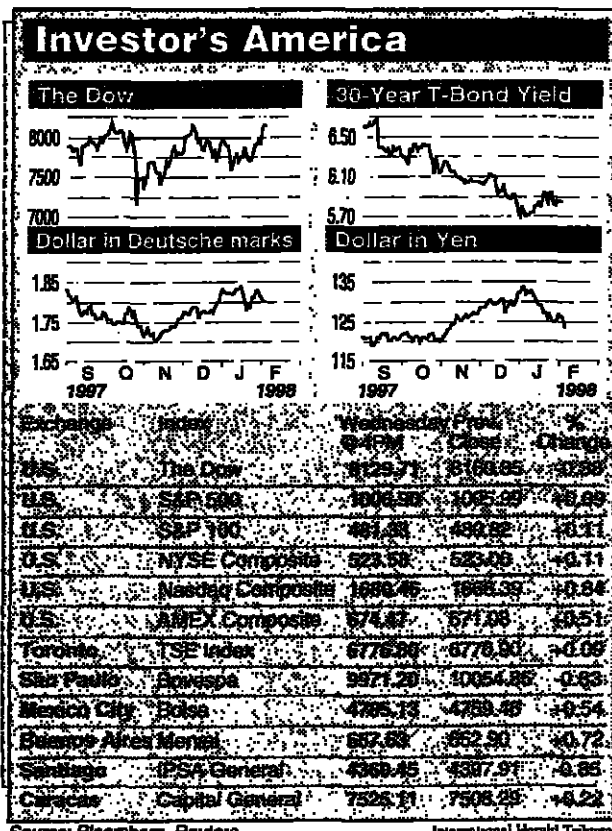
Germany's labor laws are coming under attack from both employers and companies as the country tries to cut its record unemployment rate.

Employers, the Bundesbank and the government say high wages and other labor costs in Germany are among the reasons for the high unemployment and that major reforms are vital if German industry is to remain competitive.

The government will release official unemployment figures for January on Thursday, and the DGB trade union confederation said Wednesday the figures would show a record 4.8 million people were without jobs last month.

The president of the German association of the unemployed, Klaus Grehn, said Wednesday that the length of the standard working week should be reduced to 28 hours to help create jobs.

THE AMERICAS



Blue-Chip Shares Slip, But Tech Issues Rise

Compiled by Our Staff From Dispatches

NEW YORK — Stocks finished mixed Wednesday, with blue-chip shares slipping but the broader market gaining after some strong earnings reports.

The Dow Jones industrial average closed down 36.64 points at 8,129.71 as investors secured some profits from a rally that has put the index within reach of its first record high in six months. The broader Standard & Poor's 500 index edged up 0.91 to a record 1,006.90.

Gaining issues outnumbered losing issues by a 5-to-4 ratio on the

U.S. STOCKS

New York Stock Exchange, and technology heavy Nasdaq composite index closed up 14.12 points at 1,680.46.

"It's very orderly and restrained, and it looks like the momentum players are looking for another opportunity to jump into the market," said Michael Metz, chief investment strategist at CIBC Oppenheimer & Co.

Technology stocks gained on hope that the worst damage to their earnings from Asia's economic slowdown had passed.

"There is a perception in the marketplace that Asia is on the mend," said Roger McNamee, the general partner at Integral Capital Partners.

Cisco Systems closed up 1 1/4 at a record 64 1/2 after the world's biggest computer networking company said its second-quarter profit rose 30 percent.

Compaq Computer was the most

actively traded Big Board issue, finishing up 1 1/4 to 34 1/4, while Dell Computer rose 3/16 to 17 1/4.

Network Communications rose 1 1/4 to 19 1/2 on speculation that Sun Microsystems may buy the Internet software company. Sun rose 3/4 to 49. Both companies declined to comment on the speculation.

PeopleSoft rose 2 to 40 after the maker of business software reported strong fourth-quarter profit and predicted 1998 revenue growth of between 50 percent and 60 percent.

Among the decliners, Gillette fell 1 1/4 to 100 1/4 after the company said it had sold 10 million shares in a public offering at 101 each on behalf of D.I. Associates and KKR Partners.

Eastman Kodak fell 9/16 to 65 1/16 after the company warned it would post lower first-quarter earnings than analysts expect because of higher advertising costs, rising silver prices and a strong dollar.

Consolidated Stores fell 4 1/16 to 39 1/16 after the retailer of toys and close-out merchandise said it would report disappointing results for the year that ended Saturday and would take a charge to cover costs from its acquisition of Macys' Bargain Close-Outs.

In the Treasury bond market, prices were little changed after the Federal Reserve Board left interest rates unchanged, a sign central bankers expect economic turmoil in Asia to curb growth and inflation in the United States.

The benchmark 30-year issue slipped 1/32 point to 103 20/32, leaving the yield steady at 5.86 percent. (Reuters, Bloomberg, AP)

IMF Approves Argentina Loan

Reuters

WASHINGTON — The International Monetary Fund approved a \$2.8 billion three-year loan for Argentina on Wednesday, offering the Latin American country a cushion of financial support in case the economy goes wrong.

An IMF spokesman said the board of directors had approved the "precautionary loan" at a regular board meeting. Argentina will only use the money if circumstances call for a sudden injection of extra cash. A previous IMF loan to Argentina expired this month.

ABC to Pass Football Costs to Affiliates

By Bill Carter
New York Times Service

NEW YORK — After an enormous bid of \$550 million a year to retain "Monday Night Football," ABC has asked its affiliated stations to contribute cash or return some commercials to the network to help pay the costs, according to a memo to ABC affiliates.

CBS and Fox Broadcasting have made or are expected to seek similar arrangements with their affiliates. The deals, if agreed to, would represent the first time that networks have sought this kind of sizable contribution from their affiliates to help pay for program costs. But the ABC

Summers Sides With IMF's Critics

Official Calls for Changes as He Asks Congress for New Funding

Reuters

WASHINGTON — U.S. Deputy Treasury Secretary Lawrence Summers, responding to criticism from Congress, said Wednesday that Washington wanted to change the way the International Monetary Fund went about its work.

Pointed comments in testimony urging Congress to approve \$18 billion of new funding for the IMF made clear that the White House supported some of the criticism from lawmakers, who describe the IMF as opaque and inflexible.

"The IMF needs to be better governed," Mr. Summers told the Senate Finance Committee. "It needs to be more transparent in its operations and accountable for its decisions if it is to command the confidence of taxpayers and investors."

"These are aspects of the IMF that are quite appropriately the subject of congressional examination. And let me be clear, these are aspects that we plan to change."

The IMF has taken a leading role in efforts to help Asia's one-time tiger economies emerge from economic chaos, organizing international rescue deals totaling well over \$100 billion.

But its multibillion-dollar packages for Thailand, Indonesia and South Korea initially did little to restore market confidence or stop outflows of capital. Markets have since stabilized somewhat, but officials still warn that the United States will not escape unscathed.

"Even if stability is now restored, the effects of the crises to date on the United States will be real," Mr. Summers said. "If the instability were to spread or intensify the potential risks to American jobs, American financial markets and our national security could be grave indeed."

Efforts to increase transparency at the IMF depend on broad agreement from its 182 member states, some of which are reluctant to publish more information about their economies.

Dollar Falls as Rates Stay on Hold

Compiled by Our Staff From Dispatches

NEW YORK — The dollar declined against major currencies Wednesday after the U.S. central bank held interest rates steady and as a German official made comments indicating that rates there would not head lower.

The Federal Reserve Board's policy-making Open Market Committee left rates steady after its meeting Wednesday.

Meanwhile, the Bundesbank's chief economist, Otmear Issing, said worries arising from the turmoil in Asia had been greatly exaggerated.

He said Germany's exposure to Asian imports was relatively small and that concerns about global deflation were exaggerated.

"The hawkish comments from Issing have helped the mark," said

FOREIGN EXCHANGE

Lizbeth Goldberg at Hypo Bank. "No risk of deflation means less downward pressure on interest rates."

A German government report showing a larger-than-expected gain in December industrial output also lifted the Deutsche mark. The

report raised hopes that a recovery in Europe's largest economy would pick up steam, giving the Bundesbank room to raise interest rates before the European Union's planned single currency is introduced in January.

Germany's main money-market rate is 3.30 percent. That compares with Italy's benchmark discount rate of 5.50 percent.

In late trading, the dollar fell to 1.8000 DM from 1.8110 DM on Tuesday and to 123.50 yen from 125.90 yen. It also fell to 6.0370 French francs from 6.0705 francs and to 1.4510 Swiss francs from 1.4645 francs. The pound rose to \$1.6567 from \$1.6467.

The yen was bolstered by passage of a 1.1 trillion yen (\$8.7 billion) stimulus package that is expected to be quickly followed by a host of more aggressive measures.

"Everyone seems to think this time Japanese spending programs will be a winner, and that's weighing on the dollar," said Roger Chapman, manager at BancOne Corp.

The yen also got a lift from talk that the Group of Seven industrial nations may sell dollars to prop up the Japanese currency.

Finance ministers and central bankers from the G-7, which groups the United States, Britain, Germany, Japan, France, Italy and Canada, will discuss policy Feb. 21 in London.

Japan's governing party plans to unveil economic proposals a day before the G-7 meeting.

(Market News, Bloomberg)

Very briefly:

• The New York Times Co.'s fourth-quarter profit jumped 30 percent, to \$79.3 million, as higher advertising revenue offset the impact of rising newspaper costs. Revenue rose 7 percent, to \$768.4 million. Excluding one-time gains and charges, earnings rose 18 percent.

• CBS Corp.'s fourth-quarter loss from continuing operations fell to \$10 million from \$63 million a year earlier as sales jumped 44 percent, to \$1.47 billion. The results exclude a gain of \$871 million on the sale of discontinued operations. CBS became a pure media company in November after it sold its nonmedia assets and changed its name from Westinghouse Electric Corp.

• Seagram Co.'s second-quarter profit dropped to \$28 million from \$161 million a year earlier as liquor sales in Asia were cut in half and the company took a \$50 million charge to write down assets and lay off workers in the region. Revenue fell 5.6 percent, to \$3.54 billion.

• Protection One Inc., a residential burglar-alarm company, said it would buy Network Multi-Family Corp. from Western Resources Inc. for about \$175 million. Network Multi-Family provides alarms for apartments and condominiums.

• Imation Corp. plans to cut 1,700 jobs, or 17 percent of its work force, by the end of the year, up from an earlier estimate of 1,000 to 1,500 jobs. The maker of data-storage and imaging products cited fierce price competition. After a previously announced charge of \$158.7 million, Imation had a fourth-quarter loss of \$157.8 million, compared with a loss of \$600,000 last year. Revenue fell 2 percent, to \$369.8 million.

• Mobil Corp. named Eugene Renna president and chief operating officer, making him a top candidate to eventually succeed the chairman and chief executive, Lucio Noto. Mr. Renna, 53, has been executive vice president.

• General Motors Corp.'s U.S. car and truck sales fell 6.2 percent in January from a year earlier, and Ford Motor Co. reported a 10 percent decline, a bigger drop than expected in both cases. Chrysler Corp. posted a 2 percent rise in January sales.

AP, Bloomberg, Reuters, AFP

AMEX

Wednesday's 4 P.M. Close

The 300 most traded stocks of the day, up or down on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Change
IBM	150	150 1/4	150 1/8	150 1/4	+1/8
Microsoft	120	120 1/4	120 1/8	120 1/4	+1/8
Apple	100	100 1/4	100 1/8	100 1/4	+1/8
Oracle	80	80 1/4	80 1/8	80 1/4	+1/8
Sun	70	70 1/4	70 1/8	70 1/4	+1/8
HP	60	60 1/4	60 1/8	60 1/4	+1/8
Intel	50	50 1/4	50 1/8	50 1/4	+1/8
Northern Telecom	40	40 1/4	40 1/8	40 1/4	+1/8
WorldCom	30	30 1/4	30 1/8	30 1/4	+1/8
Verizon	20	20 1/4	20 1/8	20 1/4	+1/8
Qwest	10	10 1/4	10 1/8	10 1/4	+1/8
Sprint	5	5 1/4	5 1/8	5 1/4	+1/8
AT&T	4	4 1/4	4 1/8	4 1/4	+1/8
Time Warner	3	3 1/4	3 1/8	3 1/4	+1/8
Turner	2	2 1/4	2 1/8	2 1/4	+1/8
News Corp.	1	1 1/4	1 1/8	1 1/4	+1/8
Disney	1	1 1/4	1 1/8	1 1/4	+1/8
Paramount	1	1 1/4	1 1/8	1 1/4	+1/8
Warner Bros.	1	1 1/4	1 1/8	1 1/4	+1/8
Columbia	1	1 1/4	1 1/8	1 1/4	+1/8
Universal	1	1 1/4	1 1/8	1 1/4	+1/8
Paramount	1	1 1/4	1 1/8	1 1/4	+1/8
Warner Bros.	1	1 1/4	1 1/8	1 1/4	+1/8
Columbia	1	1 1/4	1 1/8	1 1/4	+1/8
Universal	1	1 1/4	1 1/8	1 1/4	+1/8

U.S. STOCK MARKET DIARY

Indexes

Dow Jones

Nasdaq

AMEX

Standard & Poor's

Index	High	Low	Latest	Change
Dow Jones	8130.00	8120.00	8129.71	-36.64
Nasdaq	1680.46	1670.00	1680.46	+14.12
AMEX	1006.90	1000.00	1006.90	+6.90
Standard & Poor's	1006.90	1000.00	1006.90	+6.90

Trading Activity

NYSE

Nasdaq

AMEX

Index	Volume	Value	Change
NYSE	1,100,000,000	\$100,000,000,000	+100,000,000,000
Nasdaq	1,100,000,000	\$100,000,000,000	+100,000,000,000
AMEX	1,100,000,000	\$100,000,000,000	+100,000,000,000

Market Sales

NYSE

Nasdaq

AMEX

Index	Volume	Value	Change
NYSE	1,100,000,000	\$100,000,000,000	+100,000,000,000
Nasdaq	1,100,000,000	\$100,000,000,000	+100,000,000,000
AMEX	1,100,000,000	\$100,000,000,000	+100,000,000,000

Dividends

Company

Per Amt Rec Pay

Company

Per Amt Rec Pay

Company	Per Amt Rec Pay	Company	Per Amt Rec Pay
IBM	1.25	IBM	1.25
Microsoft	1.25	Microsoft	1.25
Apple	1.25	Apple	1.25
Oracle	1.25	Oracle	1.25
Sun	1.25	Sun	1.25
HP	1.25	HP	1.25
Intel	1.25	Intel	1.25
Northern Telecom	1.25	Northern Telecom	1.25
WorldCom	1.25	WorldCom	1.25
Verizon	1.25	Verizon	1.25
Qwest	1.25	Qwest	1.25
Sprint	1.25	Sprint	1.25
AT&T	1.25	AT&T	1.25
Time Warner	1.25	Time Warner	1.25
Turner	1.25	Turner	1.25
News Corp.	1.25	News Corp.	1.25
Disney	1.25	Disney	1.25
Paramount	1.25	Paramount	1.25
Warner Bros.	1.25	Warner Bros.	1.25
Columbia	1.25	Columbia	1.25
Universal	1.25	Universal	1.25

STOCK SPLIT

Company

Per Amt Rec Pay

Company

Per Amt Rec Pay

Company	Per Amt Rec Pay	Company	Per Amt Rec Pay
IBM	1.25	IBM	1.25
Microsoft	1.25	Microsoft	1.25
Apple	1.25	Apple	1.25
Oracle	1.25	Oracle	1.25
Sun	1.25	Sun	1.25
HP	1.25	HP	1.25
Intel	1.25	Intel	1.25
Northern Telecom	1.25	Northern Telecom	1.25
WorldCom	1.25	WorldCom	1.25
Verizon	1.25	Verizon	1.25
Qwest	1.25	Qwest	1.25
Sprint	1.25	Sprint	1.25
AT&T	1.25	AT&T	1.25
Time Warner	1.25	Time Warner	1.25
Turner	1.25	Turner	1.25
News Corp.	1.25	News Corp.	1.25
Disney	1.25	Disney	1.25
Paramount	1.25	Paramount	1.25
Warner Bros.	1.25	Warner Bros.	1.25
Columbia	1.25	Columbia	1.25
Universal	1.25	Universal	1.25

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where applicable, stock dividend amounts are shown for the current week, but not the latest trading day. Where applicable, stock dividend amounts are shown for the current week, but not the latest trading day.

INTERNATIONAL FUTURES

Feb. 4, 1998

High Low Latest Change

Grains

Metals

Oil

Gold

Silver

Platinum

Palladium

Iron Ore

Coal

Gas

Electricity

Commodities

Commodity	High	Low	Latest	Change
Grains	1.25	1.20	1.25	+0.05
Metals	1.25	1.20	1.25	+0.05
Oil	1.25	1.20	1.25	+0.05
Gold	1.25	1.20	1.25	+0.05
Silver	1.25	1.20	1.25	+0.05
Platinum	1.25	1.20	1.25	+0.05
Palladium	1.25	1.20	1.25	+0.05
Iron Ore	1.25	1.20	1.25	+0.05
Coal	1.25	1.20	1.25	+0.05
Gas	1.25	1.20	1.25	+0.05
Electricity	1.25	1.20	1.25	+0.05
Commodities	1.25	1.20	1.25	+0.05

Financial

U.S. Treasury

U.S. Bonds

U.S. Stocks

U.S. Futures

U.S. Options

U.S. Derivatives

U.S. Commodity

U.S. Energy

U.S. Metals

U.S. Grains

U.S. Oil

U.S. Gas

U.S. Electricity

U.S. Commodities

Index	High	Low	Latest	Change
U.S. Treasury	1.25	1.20	1.25	+0.05
U.S. Bonds	1.25	1.20	1.25	+0.05
U.S. Stocks	1.25	1.20	1.25	+0.05
U.S. Futures	1.25	1.20	1.25	+0.05
U.S. Options	1.25	1.20	1.25	+0.05
U.S. Derivatives	1.25	1.20	1.25	+0.05
U.S. Commodity	1.25	1.20	1.25	+0.05
U.S. Energy	1.25	1.20	1.25	+0.05
U.S. Metals	1.25	1.20	1.25	+0.05
U.S. Grains	1.25	1.20	1.25	+0.05
U.S. Oil	1.25	1.20	1.25	+0.05
U.S. Gas	1.25	1.20	1.25	+0.05
U.S. Electricity	1.25	1.20	1.25	+0.05
U.S. Commodities	1.25	1.20	1.25	+0.05

Commodity

U.S. Treasury

U.S. Bonds

U.S. Stocks

U.S. Futures

U.S. Options

U.S. Derivatives

U.S. Commodity

U.S. Energy

U.S. Metals

U.S. Grains

U.S. Oil

U.S. Gas

U.S. Electricity

U.S. Commodities

Index	High	Low	Latest	Change
U.S. Treasury	1.25	1.20	1.25	+0.05
U.S. Bonds	1.25	1.20	1.25	+0.05
U.S. Stocks	1.25	1.20	1.25	+0.05
U.S. Futures	1.25	1.20	1.25	+0.05
U.S. Options	1.25	1.20	1.25	+0.05
U.S. Derivatives	1.25	1.20	1.25	+0.05
U.S. Commodity	1.25	1.20	1.25	+0.05
U.S. Energy	1.25	1.20	1.25	+0.05
U.S. Metals	1.25	1.20	1.25	+0.05
U.S. Grains	1.25	1.20	1.25	+0.05
U.S. Oil	1.25	1.20	1.25	+0.05
U.S. Gas	1.25	1.20	1.25	+0.05
U.S. Electricity	1.25	1.20	1.25	+0.05
U.S. Commodities	1.25	1.20	1.25	+0.05

EUROPE



THOSE IN FAVOR — Marcel Ospel, chief of Swiss Bank Corp., speaking before the vote Wednesday in which SBC shareholders approved merging with Union Bank of Switzerland.

Reuters Says U.S. Inquiry On Hacking Could Widen

The Associated Press
LONDON — Reuters Holdings PLC, the news and information provider under the spotlight in a U.S. grand jury investigation, said Wednesday that it knew of no attempts to break into the central computer of a rival, Bloomberg LP.

Reuters' share price has slid since it announced last week that investigators were trying to determine whether a U.S. subsidiary had used information stolen from Bloomberg.

Reuters acknowledged Wednesday that the inquiry could spread elsewhere in the parent company.

Reuters said that if it found "any proprietary information belonging to Bloomberg" in its products, it would "take remedial action." But it said it did not believe it would have to withdraw any of its financial-information products.

The U.S. subsidiary, Reuters Analytics Inc. of Stamford, Connecticut, provides "specialized information on fixed-income investments such as government bonds," and Reuters said Wednesday that it had been advised that the federal grand jury investigation in New York also concerned some stock market data.

The London-based parent company said Wednesday that the criminal investigation also had targeted several employees of Reuters Analytics.

Reuters said it believed the focus of the investigation to be the relationship between Reuters Analytics and a New York-based consultancy and Bloomberg subscriber. Investigators are trying to determine whether Reuters "improperly induced" the consulting firm to wrongfully provide Bloomberg information.

The New York Times has reported that prosecutors say the consulting firm, Cyberspace Research Associates Inc., was trying to help Reuters Analytics gain information about the computer code that lets Bloomberg run its financial software.

Cyberspace reportedly is run by a former Bloomberg employee. The Reuters statement did not identify Cyberspace as the consultant in question.

In London, Reuters shares rallied on unconfirmed rumors that a settlement was being discussed. After Reuters released its statement on the investigation, the stock finished 23 pence higher at \$45 (\$8.95).

Nestle to Buy Dalgety's Pet-Food Business

Bloomberg News

LONDON — Dalgety PLC

agreed Wednesday to sell its Spillers pet-food manufacturing business to Nestle SA in a surprise move that analysts said could indicate the breakup of the British food manufacturer.

The £715 million (\$1.17 billion) sale came even though Dalgety said five months ago it would make pet foods the focus of its attempts to recover from the effects of Britain's "mad cow" disease crisis on its profit.

Dalgety's shares rose 49.5 pence, or 17 percent, to 343, lifted by its promise to return £650 million from the Nestle deal and other asset sales to shareholders.

Dalgety also said it had agreed to sell Martin-Brower, which supplies hamburgers to McDonald's Corp. in the United States, to the closely held U.S. food processing company Reyes Holdings for £120 million.

Last month, Dalgety sold its food-ingredients business to Kerry Group of Ireland for £335 million.

After those sales, Dalgety will have an agricultural-feed business

and its Pig Improvement Co., which supplies genetically improved breeding stock to pig producers.

Dalgety has struggled under the twin burdens of the expensive 1995 acquisition of Quaker Oats Co.'s pet-food business and the effects of a worldwide ban on British beef products after an outbreak in 1996 of bovine spongiform encephalopathy, a brain disease in cattle that has been linked to several human deaths in Britain. The company posted a loss of £89.3 million for the year ended June 30.

Nestle sells Friskies cat food in Europe and owns the American pet-food maker Alpo. Pet food is

part of Nestle's prepared-foods unit, which had sales in 1996 of 15.96 billion Swiss francs (\$10.85 billion).

Shares in Nestle rose 3 Swiss francs to 2,398.

"From a strategic point of view, this acquisition makes sense for Nestle," said Michael Kamm, an analyst at Union Bancaire Privée Asset Management in Zurich. "Pet foods is a growing market in which the company already has a strong position."

Dalgety's pet-foods business, whose brands include Felix, Whinlall, Choosy and Fido, had operating profit of £26.4 million in the year that ended last June.

Fauchon, Paris Landmark, to Be Sold

Reuters

PARIS — Fauchon, the Paris gourmet landmark, is to be sold to an investor group led by the French investment bank Societe

Waldo, the luxury food shop said Wednesday.

Fauchon, founded in 1886,

said its owner, Martine Premat, had agreed to sell on condition the investor group meets certain unspecified conditions within the next three months.

Societe Waldo is headed by Laurent Adamowicz. The other investors were not disclosed.

Fauchon, founded in 1886,

OECD Talks Urge State to Help Business

By Carl Gewirtz

International Herald Tribune

PARIS — A pathbreaking meeting of government officials and business executives at the Organization for Economic Cooperation and Development agreed Wednesday that government's role should be to create environments in which business can flourish rather than to try to tell business what it should do.

The meeting was the first-ever international gathering of industrial ministers and the first OECD meeting to invite executives to participate and provide their input to the formulation of policy.

Speaking positively of the result, John Bullock, a Canadian executive, said, "At least the politicians are now all singing from the same hymnal."

That was the emphasis put on the result by the meeting's chairman, Margaret Beckett, president of the Board of Trade in Britain.

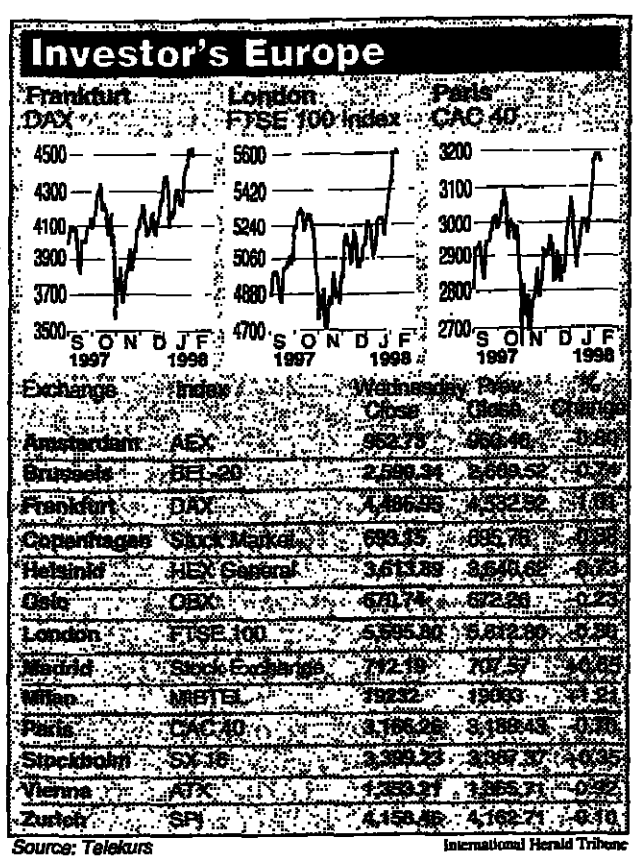
Acknowledging that not all 29 organization member countries hold identical views on the role of government in business, Ms. Beckett said: "There are differing degrees of opinion. But what is extraordinary is that everyone agrees about the direction policy has to take."

One of the concrete results of the meeting was a mandate for the organization to expand its comparative evaluation of government policies aimed at supporting industry so that benchmarks of best practices could be established.

"Seeking the input of businessmen is a major change," David Aaron, the U.S. undersecretary of commerce, said in an interview. "It does make a difference having real businessmen talking about business."

He said the meeting showed "strong support for private-sector, market-driven solutions to problems — that's a big change" and one that is "likely to lead to a lighter hand" of regulation.

The thrust of the meeting was twofold: that small and midsize companies are the major creators of jobs and that the industrial paradigm is changing from a focus on physical production and output to a knowledge-based economy where intangibles such as quality and service are of growing importance.



Very briefly:

- The European Commission called for global rules governing data protection, on-line advertising, consumer protection and other aspects of Internet commerce. The commission also said it wanted to draw up an international charter to regulate the Internet marketplace, which it estimates will be worth about \$200 billion by 2000.
- Ernst & Young and KPMG Peat Marwick expect their proposed merger to be given a full four-month review by the European Commission but expressed confidence it would be given the green light.
- Britain unveiled plans to measure its performance on environmental issues as carefully as it monitors the state of the economy, through a series of environmental indexes.
- Scottish & Newcastle PLC, a British brewer and pub company, will restructure its pub division to improve profitability. The operator of the Rat & Parrot pub chain said it planned to add 300 pubs over the next three years to the 1,900 it already manages.
- Renault's unit sales in its commercial-vehicle division rose 12 percent, to 72,280, in 1997, helped by a strong performance by its Mack Trucks business in North America.
- Saab Automobile AB, a Swedish luxury carmaker, said its 1997 net loss widened to 1.91 billion kronor (\$236.5 million) from 1.24 billion kronor in 1996 as costs of product development and marketing continued to rise.
- Adam Opel AG said rumors that David Hermas, its chief, was planning to leave Opel to join Chrysler Corp. as head of European operations were unfounded.
- Dresdner Bank AG took full control of its Spanish subsidiary Kleinwort Benson Iberfomento in preparation for the European single currency.
- Deutsche Telekom AG expects its Global One alliance with France Telecom SA and Sprint Corp. to break even by 2000.

Bloomberg, Reuters, AFP

WORLD STOCK MARKETS

Wednesday, Feb. 4

Prices in local currencies.

High Low Close Prev.

Amsterdam *Amex Index: 922.44*

ABN-AMRO 42.30 41.20 42.30

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Brussels *Amex Index: 922.44*

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Copenhagen *Amex Index: 922.44*

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NASDAQ

Wednesday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

NYSE
Wednesday's 4 P.M. Close
(Continued)

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
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100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
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100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

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100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

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100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100	High	Low	Stock	Dr	Yld	PE	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100
100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100	100.00	99.00	IBM			15.0	100

Moai Tries to Make Foreign Investment
With Foreign Investment
With Korean 'Sh'

OREA: Despite New Rules
Continued from Page 17

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2001/02/05

ASIA/PACIFIC

Hanoi Tries to Make Up With Foreign Investors

Amid P&G Crisis, Meeting Reassures Few

Compiled by Our Staff From Dispatches

HO CHI MINH CITY — Prime Minister Phan Van Khai vowed Wednesday to improve the investment climate for foreigners as Procter & Gamble Co.'s Vietnam unit teetered on the brink of bankruptcy.

At the first conference designed to allow foreign investors to address grievances directly to the highest level of government, Mr. Khai said, "Your loss is our risk and loss."

"We are fully aware that we should and must continue to improve the environment to continue the improvement of the competitiveness of the market economy," he added.

Mr. Khai acknowledged that officials had caused unjustified losses for foreign investors, and he pledged to improve the situation.

"We will make the foreign investment environment more attractive and transparent," he said.

But he then said that not all foreign investors were saints and that some were guilty of trade fraud, labor abuses and tax evasion.

Procter & Gamble has become a symbol of Hanoi's problems with foreign investors. Its Vietnam unit, which is 70 percent owned by the American company and 30 percent owned by a local, state-run partner, is on the brink of shutting down.

The partners argued last year over responsibility for millions of dollars in losses incurred over the venture's first two and a half years in operation. Within weeks the issue had been covered extensively by the state-controlled media which, for the most part, portrayed it as an example of a foreign company's trying to

muscle out Vietnamese interests.

Alan Hed, the company's top executive in Vietnam, said that while there was still hope of saving the venture, it was in default on loans and starved for funds to continue.

"We are imminently facing insolvency," he said, adding that the parent company could not legally inject more capital unless the local partner in the venture did the same.

Mr. Hed said efforts to resolve the dispute, including lobbying on its behalf by the U.S. Embassy, had made no progress so far. He was not hopeful of any last-minute breakthrough.

At the conference, foreign investors presented a list of complaints and said much needed to be done if Vietnam were to regain its attraction as an investment destination.

Vi Le, trade commissioner for the Australian Embassy in Hanoi, said the reality of doing business in Vietnam was at odds with policy or statements by government officials.

"Getting the investment license is the easy part," she said. "After that, the day-to-day environment for implementation of the investment is riddled with hindrances that are contrary to policy. This has led to considerable foreign investor disillusionment."

Few investors said they expected much change after the meeting, which was held in the former South Vietnam's presidential palace.

"I don't think the changes required here are going to occur until there is a substantial pain feeling at street level," said Peter Ryder, president of the American property company Lukemex Co. (Reuters, AFP)



STRIKE FORCE — Members of the Korean Confederation of Trade Unions listening to a press conference Wednesday at which a spokesman complained that South Korean workers were bearing the brunt of the country's economic pain. The union threatened to stage a nationwide strike Friday.

Asia Gives Up Some Gains

Stock Indexes Slip as 'Realism' and Profit-Taking Set In

Reuters

HONG KONG — Major stock markets across Asia fell Wednesday as investors reminded themselves that the region's economic problems and poor corporate results would be around for a while.

The markets, which began the week with stunning rises, lost their momentum as investors took profits. Thai shares fell the most, with the main index ending the day down 9.5 percent, at 505.59 points.

"We're back to the realism that perhaps things aren't as rosy as we thought," said Miles Remington, a trader at SocGen Crosby Securities.

"Markets are going to have economic problems going forward, and

economic growth will be under pressure."

Hong Kong stocks fell 2 percent, while Tokyo lost just under 1 percent. Jakarta fell 3 percent, and Manila was off 2 percent. Malaysian shares fell 1.5 percent after Tuesday's 23 percent gain.

Pent-up demand after the Chinese New Year and strength in local currencies explained Monday's rally. Mr. Remington said, but the outlook has worsened once again with the corporate earnings season on the horizon in most major centers.

Poor earnings would remind investors of the havoc caused by the region's economic crisis of the past several months, he said.

Buyers Sour On Peregrine Asset Unit

Compiled by Our Staff From Dispatches

HONG KONG — Potential buyers of the asset-management arm of the failed Peregrine Investments Holdings Ltd. have left the negotiating table after finding the funds that the unit managed had performed poorly. Price Waterhouse & Co. said Wednesday.

Price Waterhouse, named last month to liquidate the failed investment-banking group, said the chances of finding a buyer for Peregrine Asset Management (H.K.) Ltd. were slim. Banque Nationale de Paris snapped up Peregrine's prize possession — its Greater China brokerage and corporate-finance business — for an undisclosed sum this week.


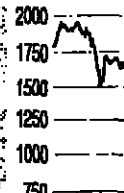
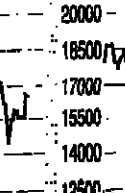
"We are negotiating with three parties for significant parts, and in addition to that, there are other offers on the table for individual offices," David Hague, the liquidator, said.

Sources close to the talks said the Spanish bank Banco Santander SA had made an offer for the whole of Peregrine but that it was conditional and that Peregrine's Greater China team had not been enthusiastic about the offer.

Under the deal struck with Banque Nationale de Paris, about 150 staff representing almost all the people remaining at Peregrine's Greater China equities division will move to a new entity called BNP Prime Peregrine Ltd.

Francis Leung, the co-founder of Peregrine who directed the Greater China equities operations, will be managing director. (AP, Reuters)

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
Exchange	Index	Wednesday Close	Thursday Close	% Change	
Hong Kong	Hang Seng	14,362.61	10,525.51	-2.12	
Singapore	Straits Times	1,425.23	1,417.80	-0.52	
Sydney	All Ordinaries	2,558.90	2,654.40	-3.09	
Tokyo	Nikkei 225	16,882.62	17,022.85	-0.82	
Kuala Lumpur	Composite	690.76	701.81	-1.50	
Bangkok	SET	608.59	558.92	-0.54	
Seoul	Composite Index	547.28	550.21	-0.53	
Taipei	Stock Market Index	8,470.67	8,514.78	-0.57	
Manila	PSE	2,042.14	2,085.88	-2.10	
Jakarta	Composite Index	5,198.29	536.78	-3.14	
Washington	DJSE-40	2,244.66	2,240.57	+0.19	
Bombay	Sensitive Index	3,319.16	3,354.80	-1.05	

Source: Reuters

Intermarket Fund Tribune

Very briefly:

• Thai Airways International PLC is holding talks with Boeing Co. and Airbus Industrie to delay taking delivery of seven new aircraft from the two companies.

• Cable & Wireless Marine Ltd. of Britain and Nippon Telegraph & Telephone Corp. of Japan formed a strategic alliance to create a new submarine cable engineering company in March to target construction and maintenance in Asia.

• China posted its first trade surplus with the European Union in five years in 1997 as its imports of mechanical and electrical machinery slumped, the official Xinhua news agency said. The \$4.62 billion surplus compared with a deficit of \$40 million in 1996.

• Microsoft Corp.'s chairman, Bill Gates, said that even though sales had been affected by the financial crisis in Asia, the troubles there would not affect the company's investment strategy. "The partnerships we build, those are designed for 10 years, 20 years or 30 years, and we'll be charging full speed ahead with that," he said.

• Yasuda Trust & Banking Co. of Japan said it had appointed Fuji Bank Ltd.'s vice president, Kazuhiko Kasai, as chairman, replacing Fujio Takayama. The move is expected to help Yasuda Trust restructure its business.

• Japan's industrial production at manufacturers with 300 or more employees fell 2.9 percent in the October-December quarter from the July-September quarter, as sluggish sales at home and in Asia offset a rise in exports to the United States and Europe.

• Toho Mutual Life Insurance Co. of Japan and a financial unit of General Electric Co. of the United States are in talks to establish a business partnership that could help increase the ailing insurer's capital base.

• Coca-Cola Co.'s South East and West Asia division said it expected profit from its soft drinks to exceed 1997's record levels despite Asia's economic crisis. It said sales in the region were continuing to grow along with profits in dollar terms despite severe currency depreciations in some of the countries in which it operates. (AFP, Bloomberg, Reuters)

South Korean 'Shark-Watchers' Fend Off Foreign Firms

Bloomberg News

SEOUL — Pae Jin Mook has one of the hottest jobs in South Korea these days: shark-watcher.

That is what people are calling a new breed of financial professionals emerging to help companies here fend off hostile takeovers. As the country throws open its struggling economy, shark-watchers like Mr. Pae say they are in for a busy year.

"I'm so excited about my new job," said the 37-year-old Mr. Pae, who works for Daewoo Securities Co., the nation's largest brokerage. "We are bombarded with requests from both local and foreign investors these days inquiring about possible mergers and acquisitions."

The shark-watchers may get even busier after a government panel made it easier for foreigners to make hostile bids. United Technologies Corp. and other foreign companies have already started buying parts of Korean companies made cheap by a slump in stocks and the currency last year.

In Seoul, specialists in mergers and acquisitions say inquiries have risen tenfold in the past few months. Investment bankers around Asia say their business may boom as U.S. and European companies try to cash in on Asia's financial crisis by picking up companies on the cheap.

Plenty of Korean companies need foreign money as the economy heads for its slowest

year in almost two decades. A record 15,000 Korean companies went bankrupt last year.

Legal changes being considered by President-elect Kim Dae Jung and his economic task force would make it cheaper for would-be raiders to attack. Among other things, Korea would drop a requirement that investors buy 41 percent of a company's stock the moment their holdings exceed 25 percent. Also, investors would not have to get management's approval before buying more than 10 percent of a company, although they would need it before buying more than a third.

Once the laws are revised, the foreign sharks may start circling.

For companies with dollars to spend, many

Korean companies cost a third of what they did a year ago. The currency, the won, lost about half its value against the dollar since then.

Already, the number of public companies in which a single foreign investor or an investment group holds more than 5 percent more than doubled to 28 from the end of last year, according to the Securities Supervisory Board. They include SK Telecom, Daewoo Corp., Hyosung T&C Co., Bukwang Pharmaceutical Industry Co. and Hankook Tire Manufacturing Co.

"Under the current liquidity situation, Korean companies have no choice but to yield to foreign pressure," said Oh Dong Jin, an official at the Federation of Korean Industries.

Saison to Sell Hotels

Group Seeks Buyer for Inter-Continental

Compiled by Our Staff From Dispatches

TOKYO — Saison Group said Wednesday it was seeking a buyer for its Inter-Continental Hotels & Resorts division, which analysts have said could be worth \$3 billion.

The group said it had received "several earnest offers" for the chain during preparations for a U.S. stock listing for the unit, prompting the decision to sell.

The sale of the hotel chain, which Saison bought in 1988 for 280 billion yen (now \$2.22 billion), is expected to help the group pare down its debts when financial institutions are reluctant to lend. Saison also plans to raise funds by selling its stake in a major convenience-store operator through its Seiyu Ltd. division.

Inter-Continental operates 188 hotels worldwide and has three in Japan. (Reuters, Bloomberg, AFP)

Australia Mounts Defense Of Its Exports to East Asia

Compiled by Our Staff From Dispatches

CANBERRA — Australia, seeking to shield exports from the Asian economic crisis and combat an aggressive U.S. trade push in the region, extended its export underwriting package Wednesday to include Indonesia.

Prime Minister John Howard said there would be no limit to export assistance to Indonesia, which follows a 300 million Australian dollar (\$206 million) package for exports to South Korea.

Mr. Howard also warned that Canberra was considering

other steps to protect Australia from U.S. competition.

"Our exporters are facing fierce, even on occasion actively avaricious competition from U.S. exporters into Indonesia, who are not being shy in the export methods being employed in order to gain access to the Indonesian market," Mr. Howard said.

Australia is also considering a complaint to the World Trade Organization.

The United States is offering \$2 billion in export credits to East Asian nations to buy its farm goods. (Reuters, AFP)

KOREA: Despite New Rules, Chaebol Face Little Takeover Risk

Continued from Page 15

The chaebol have been fighting for the past couple of weeks against a proposal by some of Kim Dae Jung's advisers for what they call "Big Deal." Under Big Deal, a term routinely used in English in the mass media in the midst of news and commentaries in Korean, the chaebol would be forced to swap subsidiaries.

"Big Deal is simply the exchange of items between chaebol," a spokesman for Kim Dae Jung's transition team said. "We think that should happen."

Under one scenario, Samsung Electronics Co., the country's biggest electronics company, would take over Hyundai Electronics Industries Co., considerably smaller and shakier financially, while Hyundai Motor Co. took over Samsung Motors, a company that many have pronounced doomed even before its new plant near Pusan begins regular production of cars March 28.

Members of the president-elect's transition team denied they would try to tell the chaebol how to conduct their business. "The government is not going to involve itself in restructuring the chaebol," said Kim Min Suk, acknowledging there had been "some confusion on this issue."

He said, "We will make overcoming more difficult" so the chaebol cannot accumulate the huge ratios of debt to equity that ultimately left them and the South Korean banks on which they depended for loans without the funds to meet debt obligations.

By enforcing strict banking regulations, he said, the chaebol would "have no choice but to sell less necessary parts."

Mr. Morris foresaw continued battles between the chaebol and the incoming government. "There's a lot of tension between Kim Dae Jung's people and the major groups," he said.

The emergency economic committee recommended that penalties be exacted from chaebol for "excessive" borrowing and that minority shareholders be given the right to file lawsuits or study records of their companies.

Among reforms previously announced, the chaebol will be required to produce consolidated statements showing profits and losses of all the companies in their groups as of next year.

■ A Revised IMF Deal for Seoul? South Korean state radio said Seoul and the International Monetary Fund had agreed on revised macroeconomic targets that would lower the country's projected growth rate in its gross domestic product to 1 percent from 2 percent. Reuters reported.

A Finance Ministry spokesman said he could not confirm the report, but the ministry said earlier that an announcement on the revisions would be made Friday.

INTERMARKET FUND

SICAF

2, Boulevard Royal, Luxembourg

NOTICE

Notice is hereby given that an Extraordinary General Meeting of shareholders shall be held at 69, route d'Esch, Luxembourg on 19th February, 1998 at 10:00 a.m. for the purpose of considering the following agenda:

- To resolve on the liquidation of the Company.
- To appoint a liquidator.

In order to deliberate validly on the items of the agenda, at least 50% of the shares issued must be represented at the meeting, and a decision in favour of the resolutions must be approved by shareholders holding at least 2/3 of the shares represented at the meeting.

Proxy forms are available at the Fund's registered office.

In order to be valid proxies duly executed by shareholders should be mailed to Banque Internationale à Luxembourg, att: Mrs. Dupont, 69, route d'Esch, L-1953 Luxembourg so as to be received the business day preceding the Meeting at 5:00 p.m. at the latest.

By order of the Board of Directors.

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Herald Tribune

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- Entries must be received no later than February 28, 1998.
- Valid only where legal. No purchase necessary.
- Entries will not be accepted from staff, families and agents of the newspaper or Air Canada (including its partners).
- No correspondence will be entered into. Proof of postage or e-mail return request will not be accepted as proof of receipt.
- Winners will be drawn on March 15, 1998 and published thereafter in the newspaper. The first two correct entries drawn will be the winners.
- On all matters, the Publisher's decision is final.
- The Publisher reserves the right in his absolute discretion to disqualify any entry, competitor or nominee, or to waive any rules in the event of circumstances outside our control which, in his opinion, make it desirable to cancel the competition at any stage.
- Tickets are valid for travel until December 30, 1998. However, tickets must be booked and ticketed no later than December 15, 1998 or they will no longer be valid.
- Valid on board Air Canada scheduled flights only. This does not include the Air Canada Connectors network: Air Nova, AirBC, Air Ontario, Air Alliance, our alliance partners, charters, and codesharing.
- Some blackout dates apply. Fridays/Saturdays are blacked out year round on eastbound flights; Saturdays/Sundays are blacked out year round on westbound flights.
- Tickets are not transferable and are not redeemable for cash.
- Transportation is subject to space availability at time of reservation.
- Once tickets have been issued, (1) routings and destinations cannot be changed; (2) tickets are valid for a 3 month period from the date issued; and (3) upgrades are not permitted under any circumstances.
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5-02-98

SPORTS

France Is on Defensive Over World Cup Tickets

PARIS — France's World Cup organizers, under fire for limiting ticket allocations to foreign fans, said Wednesday that the country's small stadiums had severely restricted their options.

France will hold the biggest World Cup this summer, with more teams than ever — 32 — qualifying for the month-long soccer tournament.

But foreign soccer federations, particularly in neighboring European countries, have criticized the division of tickets. Only 20 percent of the 2.5 million tickets will go to the soccer federations.

But the organizers have said that the 12 million tickets will go to the soccer federations, and an additional 8 percent will go to tour operators.

Twelve percent have been reserved for competition sponsors.

Isabelle Delaive, head of World Cup ticketing, said she had followed guidelines laid down by the world soccer governing body, FIFA, and had been as generous as possible to non-French fans.

"We offered more tickets for foreigners than we were obliged to," she said. "We've done the best we could in difficult circumstances."

Delaive said her organizing committee was respecting FIFA rules and making 20 percent of tickets available to national soccer federations outside France.

She said only 15 percent of tickets had been reserved for federations at the last World Cup in the United States in 1994 but that U.S. stadiums had an average 70,000 seats. The 10 French World Cup stadiums have an average capacity of 46,000.

Although there were eight fewer teams at the U.S. competition and therefore fewer matches, there were some one million more tickets on offer.

France has built an 80,000-seat stadium, the Stade de France, and has upgraded most of the other venues. But officials said they could not add huge

numbers of seats to all their grounds.

"After the Cup, these stadiums have to be used by regular league teams," one official said, "and they simply could not fill new, huge stands week after week. We had to be practical about this."

France's logistical problems have been exacerbated by the fact that virtually all of its close neighbors — England, Germany, Spain, Italy, the Netherlands and Belgium — have qualified for the competition.

"We could have sold 10 or 15 million seats for the competition," Delaive said. She added that millions of French fans had missed out on national draws for the 1.5 million tickets reserved for people living in the host nation.

Sixty percent of the seats have been sold to people living in France and members of French soccer organizations.

Even soccer federations from countries that failed to make it to the finals are clamoring for seats. "One such federation has just asked us for 60,000 tickets," Delaive said.

"We would advise people to check with us, via our Internet site, to see if they are dealing with authorized dealers," she said. "And remember, we haven't printed a single ticket, yet they will only be sent out in May."

The authorities are worried that thousands of people will pour into France in the hope of picking up seats on the black market.

Delaive said that everything was being done to suppress illegal ticket sales. No one can buy more than four tickets per game, and they will not receive them until a month before the start of the competition. All tickets will have the buyers' name on them and will become void if they are sold to third parties.

Sponsors were being asked to return any tickets they did not want.

"Our message is if you don't have a ticket, don't come to the World Cup," Delaive said.



Brazil's Junior, left, pushing Linval Dixon of Jamaica off the ball as he heads toward the goal in the first half.

Jamaican Goalie Stymies Mighty Brazil

MIAMI — Goalkeeper Warren Barrett played the game of his life, making several outstanding saves as Jamaica held Brazil, the defending world champions, to a 0-0 draw in the first-round of the CONCACAF Gold Cup.

Barrett, captain of the Jamaican team, made his most important save six minutes from time, as he knocked away a 22-yard blast from Romario.

"Instead of stressing David vs. Goliath that Goliath is too big to beat, I stressed that Goliath was too big to miss," said Rene Simoes, the Jamaican coach. Under Simoes, a Brazilian, Jamaica is heading to the World Cup

finals for the first time.

The Gold Cup is the biennial competition of the Confederation of North, Central American and Caribbean Association Football. As champions of Copa America, Brazil received an automatic berth in the Gold Cup.

"Strangely enough," said Mario Zagallo, the Brazil coach, "I was happy we did not win 1-0 because it will give us lessons for the future."

"I wanted a 0-0 result," he added. "We were superior on the field of play. We should have had 3-4-5 goals."

Brazilian defender Junior Baiano was ejected for elbowing midfielder Theodore Whitmore three minutes into

injury time. Baiano is expected to be suspended from the next two games of the tournament.

Two fans were hospitalized and 29 were arrested in the English FA Cup match between Reading and Cardiff, police and club officials said Wednesday.

Reading won on penalties after the extra time finished at a 1-1 draw.

Reading stadium manager Ray Booth said a total of six Reading fans were treated after being hit by coins thrown by Cardiff fans and that two were taken to a hospital. Police said two Cardiff fans were charged with throwing missiles.

Ciccarelli Scores 600th As Panthers Tie Wings

The Associated Press

MIAMI — Dino Ciccarelli felt a wide range of emotions after scoring his 600th National Hockey League goal.

Ciccarelli, 38, was happy his milestone goal came against the Detroit Red Wings, one of his former teams, and helped the Florida Panthers pull out a 1-1 tie Tuesday night.

He was thrilled at joining some elite company as the sixth player in league history to reach 600 goals. But then he

NHL ROUNDOFF

saw Vladimir Konstantinov, a former teammate, in a wheelchair outside the Florida locker room at Miami Arena after the game.

It was then that Ciccarelli, traded from the Red Wings before the 1996-97 season, got a dose of reality. Konstantinov watched his first game since being seriously injured in an automobile accident last June.

Konstantinov was a member of the Red Wings' team that won the Stanley Cup last year. A few days later, he was involved in an accident, one that left him in a coma for more than a month.

Konstantinov has been undergoing rehabilitation treatments in West Palm Beach and accompanied the Red Wings to the White House last week. He went to dinner with the team in Fort Lauderdale on Monday night.

The game Tuesday night was the first time this season that Konstantinov watched his team play. He was taken to the game in a wheelchair and watched from a sky box.

According to his teammates, Konstantinov's recovery has been slow but steady. His speech and short-term memory are limited for now.

Konstantinov's wife, Irina, wheeled her husband downstairs to the Panthers' dressing room. She said he was aware that Ciccarelli had scored his 600th goal and wanted to congratulate him.

"I told him my style of play is a lot like his, in that we're both dirty. He smiled when I said that," Ciccarelli said.

"It really puts a lot of things in perspective," said John Vanbiesbrouck, the Florida goalie.

The Red Wings came close to giving Konstantinov a victory as a get-well gift. They led 1-0 on Larry Murphy's goal at 2:38 of the first period.

It appeared that the goal might hold up as Red Wings goalie Chris Osgood went for his fourth shutout in his last eight starts.

Then Ciccarelli drew a holding penalty from Igor Larionov that set up a power-play opportunity for the Panthers. Ciccarelli made it pay off when he took a pass from Dave Gagner in front of the crease and knocked the puck into the net with just 5:09 left.

"I congratulated him afterward, and then I realized that he scored about 30 of them against me," Vanbiesbrouck said.

Blackhawks 4, Coyotes 2 Tony Amonte had two goals, and an assist to lead Chicago to victory at Phoenix, ending the Coyotes' four-game unbeaten streak.

Kings 6, Flames 3 Jozef Stumpel scored three times and set up the go-ahead goal for Los Angeles at Calgary.

Physiologist Rejects PGA Claim That Walking 18 Holes Is Tough

By Richard Sandimir
New York Times Service

EUGENE, Oregon — The PGA Tour's challenge to Casey Martin's fight to ride a golf cart is built on several factors, one being walking.

Golfers have always walked the tournament courses and must cope with 18 holes' worth of fatigue, the Tour insists.

But during the second day of Martin's federal lawsuit against the PGA Tour, a physiologist testified in U.S. District Court that a round of golf expends less energy than continuous walking.

"Because of the low level of activity in golf, it is not especially taxing," Dr. Gary Klug of the University of Oregon testified Tuesday. He also disputed the PGA Tour's belief that fatigue is built up over 18 holes.

Another golfer, Eric Johnson, a colleague of Martin's on the Nike Tour, testified that he did not find walking difficult. "I never give it a thought," he said.

Yet walking, even into the courtroom, is taxing for Martin, 25, who suffers from Klippel-Trenaunay-Weber Syndrome, a genetic circula-

tory disorder. He limps and must keep his right leg elevated to prevent blood from seeping throughout most of the lower half of his atrophied leg. Otherwise, his right knee swells rapidly.

Klug said the disorder makes him an "inefficient walker" who expends more energy to walk than an average person. His testimony was grasped by Martin's side as evidence that providing him with a golf cart would not give him a competitive advantage.

William Maledon, the PGA Tour's lead lawyer, continued to try to lay the foundation for his case: that walking is an inviolable rule, no different from others, like the one-ball rule, which requires golfers to use the same brand and model of ball during each round.

He has brought up instances where golfers like Bea Hogan and Ken Venturi fought serious injury and heat exhaustion, respectively, without asking for carts.

William Wiswall, Martin's lawyer, has countered by showing exceptions to the rules, such as allowing golfers to be transported lengthy distances by cart from the 9th green to the 10th tee to step up the pace between foursomes and permitting PGA Senior Tour golfers to ride carts.

Olajuwon's Return Helps Launch the Rockets

The Associated Press

Hakeem Olajuwon returned to the Houston Rockets lineup after knee surgery had kept him out of action for 33 games.

He looked rusty but produced flashes of his fancy footwork as the Rockets beat the Vancouver Grizzlies, 110-97, Tuesday night.

"It's great to have him back," said Charles Barkley, who had 25 points and 15 rebounds and seemed rejuvenated by Olajuwon's return.

Olajuwon had 10 points on 5-of-7 shooting and six rebounds in 19 minutes. He entered the game with 5:05 to play in the first quarter and received a 60-second standing ovation from the home crowd, getting his first rebound moments later and his first basket with two minutes remaining in the quarter.

"I had a very good feeling just to be back on the court," said Olajuwon, who had knee surgery on Nov. 24. "Mentally, you are prepared to start dominating. Realistically, it will take time."

Trail Blazers 98, Nets 97 Portland survived a bizarre finish and a late rally by visiting New Jersey.

The Nets erased a 12-point deficit to tie the game on Kendall Gill's basket with 3:14 left in the game.

With New Jersey trailing by one with 1.8 seconds to go, Sherman Douglas was

called for stepping out of bounds while passing the ball off defender Vincent Askew's backside. Douglas made a layup, but it was waved off because he had never established position inbounds.

Portland's Rasheed Wallace committed an offensive foul while going for the ensuing inbounds pass, and the Nets got the ball out of bounds with 1.4 seconds left. The game finally ended when Gill's 24-footer fell short.

Hornets 83, Celtics 89 Hours after signing a 10-day contract with the Hor-

nets, Vernon Maxwell hit the go-ahead basket in Charlotte.

Maxwell, brought in after the Hornets lost three shooting guards to injuries, scored five of Charlotte's last seven points to help them to their fifth victory in six games. He scored 15 points on 5-for-12 shooting in 27 minutes. He added five rebounds and three assists in his debut for his fifth team in his nine-year career.

Pacers 115, Kings 93 Rik Smits had 18 points and eight rebounds as Indiana took over first place in the Central Division with a victory at Sacramento.

The Pacers took a half-game lead on the Chicago Bulls as they won their seventh straight game.

Bucks 82, Knicks 78 Tyrone Hill

grabbed a crucial rebound and sank two free throws with 2.6 seconds left as Milwaukee won its third straight over New York and sixth straight overall.

Suns 110, Raptors 105 Phoenix won its fourth straight and improved to 5-1 on its road trip as Antonio McDyess had 24 points and 14 rebounds.

Spurs 105, Warriors 96 Tim Duncan scored a career-high 34 points, and David Robinson had 23 as San Antonio used a 20-4 run in the last seven minutes to rally past Golden State on the road.

Golden State was playing its final game before the All-Star break, and after the game coach P.J. Carlesimo left for New York to testify in the arbitration hearing for Latrell Sprewell.

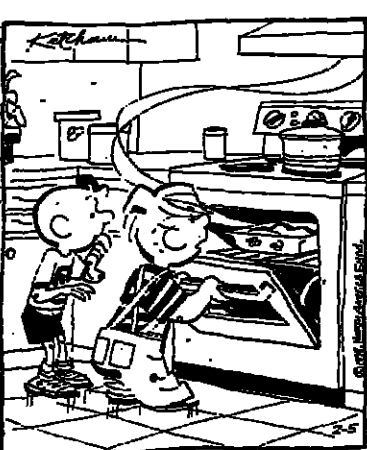
Magic 91, Hawks 90 Bo Outlaw's jumper in the lane with 1.1 seconds left capped a 23-point, 17-rebound performance as the Magic beat Atlanta in Orlando. The Magic held on when Blaylock's desperation shot glanced off the backboard at the buzzer.

Clippers 111, Jazz 102 James Robinson scored a season-high 25 points as the Clippers made a season-high 123-pointers as Los Angeles, playing at Anaheim, ended an eight-game losing streak.

Utah lost for only the fourth time in 17 games despite 23 points from Karl Malone and 22 each by John Stockton and Jeff Horvacek.

NBA ROUNDOFF

DENNIS THE MENACE



HOW PUTS A LITTLE GOOD GUFF IN WITH SOME THINK I DON'T LIKE AND CALLS IT A CASSEOLE.

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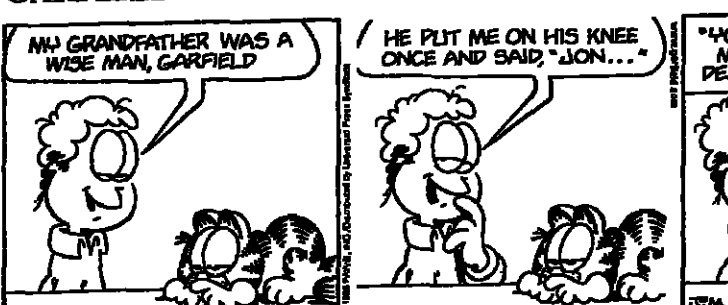
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Press 5 for Love

PARIS — An unidentified American bidder paid 5.6 million French francs (about \$920,000) at a Paris auction for a violin crafted by the Italian master instrument-maker Antonio Stradivari in 1714. A second Stradivarius was purchased by a European bidder for 4.3 million francs, the auction house Drouot said.

If someone starts breathing heavily on the other end of the line I always say, "Boy, have you got the wrong number."

"She almost invited it," she said about Venetia.



...a novelist she plots and plans to kill people. "This is how I'm coping with a murderous instinct. If I murder, well I can just write another book and get it published. A psychiatrist once said that creativity is a successful resolution of internal conflict."

Prime Minister Tony Blair has been urged to raise the case of the "Winnie the Pooh Five" in talks with President Bill Clinton at the White House. They are the stuffed animals that served as models for the Winnie the Pooh, Piglet, Tigger, Kanga and Eeyore in the children's books by A.A. Milne. They have been incarcerated in a glass case at the New York City Public Library for the past 70 years, but a Labour MP, Gwyneth Dunwoody, has asked what American librarians there are to repatriate them. Milne allowed the American publisher, Dutton, to donate them to the library after a tour of the United States. "Just like the Greeks want their Elgin Marbles back — so we want our Winnie the Pooh back, along with all his splendid friends," Dunwoody said.



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